



OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF
THE OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
HOUSE COMMITTEE ON FINANCE**

**HOUSE BILL NO. HB 500
Relating to the State Budget**

Chair Luke, Vice-Chair Nishimoto and members of the Committee on Finance, the Office of the Lieutenant Governor supports House Bill No. 500, Relating to the State Budget. This measure appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

The Office of the Lieutenant Governor has worked to fulfill its duties under the previous and now current Administration, including continuing to perform the statutory duties of the office, while also assuming the responsibility for several new initiatives and programs. It has been a challenge to support and staff multiple initiatives, including initiating the R.E.A.C.H. after-school initiative for intermediate and middle school students, undertaking the Sports Development Initiative, spearheading the Hawaii Presidential Center initiative, assisting the Hawaii Growth Initiative, continuing to support Asia-Pacific relations, serving as vice chair of the Aerospace States Commission, and beginning a new program, the Commissioner of Deeds, as directed by the Legislature in 2013. The increased workload has required existing staff to undertake additional responsibilities and functions. We ask for the Committee's favorable consideration of our additional budget requests to ensure that the Office of the Lieutenant Governor can continue to ably serve the public and support current programs and responsibilities:

1. Commissioner of Deeds position and administrative costs- The Office is seeking to properly implement the program and requires appropriate staffing and support resources to ensure success. Under Act 277, SLH 2013, the Legislature appropriated \$60,000 for FY14 and FY15; however, no position was provided nor future funding to support the program. During the Regular Session of 2014, the Office requested the \$60,000 appropriation be added to the LTG100 budget, rather than exist outside of the budget and in a bill, to ensure proper implementation of the program. Pursuant to Act 134, SLH 2013, as amended by Act 122, SLH 2014, a Commissioner of Deeds position was authorized in the LTG100 budget, but no associated funding was also provided. In the meantime, the Office had sought leave from the Governor to establish an unauthorized, unbudgeted position to administer this program. An employee was hired in early 2014, following the lifting of a hiring freeze, which delayed implementation of the program, and began work immediately, as provided above. The level of detail and understanding of the Commissioner of Deeds program, process, working group discussions, and

administrative rules process has and will continue to be instrumental in the initial phases of this program.

The Legislature determined the need for enacting the law to establish the Commissioner of Deeds program, yet the Office of the Lieutenant Governor is committed to following through with implementation. We believe it is important to continue to maintain a position to work on the program and work on implementation, administration and maintenance, as well as corrective or modifying action. The position is necessary to fulfill the requirements of the law and providing stability in the position's funding and existence is key to retaining qualified staff. Lack of a dedicated individual to work on the program will curtail implementation, monitoring, and oversight of the program going forward. Workload would likely taper off as the program is fully implemented, tested, altered and amended, as necessary. However, we believe that it will require some time to ensure proper and successful implementation and administration, which will not be sufficiently completed when the funding runs out at the close of FY15. Instead, we would suggest that perhaps at the end of the Lieutenant Governor's current term, ending of FY18, the program and the position could be revisited and reevaluated to determine future need.

2. Governor's Message No. 207- \$50,000 for protocol fund and travel expenses of the Office of the Lieutenant Governor. Funds will enable the Lieutenant Governor to represent the State appropriately, be that through receiving visiting dignitaries, conducting meetings or traveling to meet with other dignitaries, tour facilities or conduct meetings with governmental or private business parties, among other things. The nature of the executive office requires flexibility in that the needs of the office in this area in particular are very dynamic, depending upon not only the initiatives and programs assigned to the Office, but also the current economic and political needs of the State. The Lieutenant Governor is often asked to take the place of the Governor in conducting meetings, within the State or a neighbor island, outside of the State or abroad, and it is difficult to predict the precise course of events. Additionally, travel/protocol expenses may be incidental to the work of the Office and its initiatives/programs.

To ensure savings, the office has foregone certain opportunities/expenses, including, among other things, converting to a VOIP phone system, as the Legislature has and the Governor's office plans to, because we do not want to incur additional expenses and have to take money away from positions or other operating costs. The impact on the office without these funds will be negative and may require reducing other expenses or delaying hiring, where necessary, and/or foregoing engaging visitors and other travel opportunities that would otherwise benefit the State.

Additionally, the Office is supportive of budget requests for HMS 501 for the R.E.A.C.H. program. Funding for the R.E.A.C.H. program would include a full-time position to help administer, monitor, and coordinate the program with the schools for after-school programs for intermediate and middle school students on a permanent basis going forward. In conjunction with the passage of the statutory framework to establish R.E.A.C.H., the program would be able to collect fees to help it become sustainable in the future. The Office of Youth Services provides comprehensive front end services and programs for youth to prevent delinquency and reduce the incidence of recidivism. The OYS is dedicated to creating opportunities for youth to develop competencies that foster resiliency and enable them to achieve a successful transition to young adulthood. Such purpose is in line with the goals and objectives of R.E.A.C.H. and continued funding beyond FY15 is necessary to support our public school students and secure a better future for them all.



State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE
WEDNESDAY, MARCH 11, 2015
11:00 a.m.
Room 308**

**HOUSE BILL NO. 500
RELATING TO THE STATE BUDGET**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 500. This bill appropriates funds for the operating and capital improvement budget for the Fiscal Biennium 15-17. The Department supports this bill.

The Executive budget request includes additional positions to address concerns on pesticide use in our communities as well as trade-off/transfer requests to better utilize the resources available to the Department. Also included in the budget request are funds to address health and safety concerns at departmental facilities and to make repairs and improvements to the Molokai Irrigation System.

We realize the budget will still undergo further iterations before reaching its final form and look forward to working with the committees to craft a budget that is amenable to all those involved.

Thank you, again, for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
MARCH 11, 2015

H.B. 500

RELATING TO THE STATE BUDGET

Chair Luke and members of the Committee, thank you for the opportunity to testify on H.B. 500. The Department of Accounting and General Services (DAGS) supports H.B. 500 (the measure).

We respectfully request that the items contained in Governor's Message No. 207 be included in the measure as they represent budget requests that are critical for our programs' to achieve their mission critical objectives.

Thank you for the opportunity to testify on this measure.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development & Tourism
before

HOUSE COMMITTEE ON FINANCE

Wednesday, March 11, 2015

11:00 AM

State Capitol, Room 308

HB 500
RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee. Thank you for the opportunity to testify on the Department of Business, Economic Development & Tourism's (DBEDT) budget.

DBEDT will be at the forefront of developing and executing a strategy to strengthen our existing economic engines and diversify our economic base. There is no other department with such a wide and diverse scope of responsibility as DBEDT. My vision for the department focuses its efforts and expertise on three foundational pillars: **Growing Jobs, Raising Income, and Cultivating Innovation.**

We will accomplish this by engaging in efforts that create infrastructure, produce talent, and attract capital. Some of the initiatives that the department will undertake include expanding the State's broadband capacity; increasing the availability of affordable housing units; establishing higher goals for renewable energy penetration; attracting outside capital to Hawaii's startup community; establishing new tech parks and innovation clusters; enhancing the State's economic reporting capabilities; and promoting the workforce of the future.

DBEDT has sought to focus attention on sectors where investment and development potential is the highest and that promote the growth of a vibrant innovation sector. The innovation sector is the best opportunity to create a vibrant, sustainable economic future for Hawaii's citizens and provide an opportunity for Hawaii's young people to pursue a productive career here in Hawaii.

DBEDT's divisions and attached agencies have organized and aligned their programs under the banner of the "HI Growth Initiative." The HI Growth Initiative implements programs and investments that support the establishment and growth of entrepreneurial companies with rapid growth potential. These firms also have the potential to form strong industry clusters that

will give rise to globally relevant businesses. In addition, through its attached agencies, DBEDT fosters planned community development, creating affordable workforce housing units in high-quality living environments.

Hawaii's economy is currently running strong. We are experiencing positive economic trends in employment and income, with inflation remaining low. Two of our major economic engines, tourism and the military, are at peak levels, and our real estate and construction sectors are poised for further gains in the coming years.

In conclusion, you and I know the economic cycle will inevitably begin to contract. We have the opportunity now to make wise investments and sound policy decisions to help diversify our economy in order to lengthen the “expansion” periods and shorten the “contraction” periods. Let us work collaboratively to ensure we have the absolute best plan for Hawaii's future.

Attached are the Department's budget requests including items from Governor's Message 207.

Thank you for the opportunity to provide testimony in support of our budget.

BUSINESS DEVELOPMENT & SUPPORT DIVISION – BED 100

BED 100 Executive Budget Adjustment:

- **\$250,000 in FY 16 and FY 17 to Fund Overseas Offices. (BED 100/SM); MOF: A)**
Operating and promotional funds for the State of Hawaii Offices in Taiwan and Beijing to further develop the Education Hawaii USA service centers situated within the offices, and to conduct activities to attract and recruit international students to study in Hawaii. The offices serve as a one-stop center for information and contacts on studying at Hawaii's colleges, universities and schools. The offices are also in-country resources for trade promotion with and investment attraction into Hawaii. As the offices are sanctioned and supported by the overseas governments in which they reside, the offices also serve to maintain bi-lateral relations.
- **\$1,000,000 reduction of federal funds ceiling in FY 16 and FY 17. (BED 100/SM; MOF: P)** The adjustment is a result of the US Small Business Administration termination of the State Trade Export Program grant.

CREATIVE INDUSTRIES – BED 105

BED 105 Executive Budget Adjustment:

- **\$100,000 in FY 16 and FY 17 federal funds match. (BED 105/CI; MOF: A)** The Division won \$400,000 in the form of a matching federal grant, U.S. Department of Commerce / EDA FY15-16, and an additional request for follow-on funding from the EDA will be submitted this fiscal year for an additional \$400,000 for FY17-18. Requesting FY16-17 funding of \$100,000, as well as a ceiling increase of \$400,000 per FY16-17 for a Federal match. FY 16-17 \$100,000 supports expansion to the neighbor islands.
- **\$35,000 in FY 16 and \$40,000 in FY 17 personnel shortfall. (BED 105/CI; MOF: A)** Additional funding to cover personnel costs.

FOREIGN TRADE ZONE – BED 107

BED 107 Executive Budget Adjustment:

- **\$850,000 in FY 16 for CIP for Elevator Replacement (BED 107; MOF: C)** for the older portion of the FTZ Pier 2 facility. The current elevator, installed in 1982, is 32 years old and at the end of its useful life and many of the original component parts are becoming harder to replace as this model of elevator is considered obsolete. Emergency service calls over the past few years have become more frequent with the elevator out of order for up to two weeks at a time as parts must be shipped from the mainland. The extended down times have also caused issues with those tenants and guests with disabilities as it is the only elevator servicing the original wing of the FTZ building. The upgrade would also bring the elevator up to current ADA codes and make safety and structural changes to the elevator shaft, bringing it up to code as well.
- **\$1,320,000 in FY 16 for CIP for Facility Improvements and Restroom, Walkway and Office Area Retrofits to Meet ADA Requirements. (BED 107; MOF: C)**

Existing restrooms and common areas are original to the facility when it was constructed in 1954. These areas were built before the Americans With Disabilities Act (ADA), and although the FTZ has worked to keep these areas up to code, they are sorely out of date and need extensive renovations to be considered ADA compliant. Additionally, although maintenance has been on-going to the building's exterior and grounds, they are original to the facility. The intense sun and salt air of the pier area have begun to show their effects. The building paint has faded and is peeling and the landscape has become overgrown. Due to the age of the facility, there is the possibility the original paint may contain lead and would require mitigation prior to any façade improvements. This CIP request would assure the FTZ ADA compliancy and bring the facility up to par with other recent harbor area improvements.

STATE ENERGY OFFICE - BED 120

BED 120 Executive Budget Adjustment:

- **\$250,000 reduction in FY 16 and \$1,750,000 reduction in FY 17. (BED 120/SI; MOF: N)** Adjustment for the State Energy Program (SEP) federal grant to reflect the formula allocation amount for a 3-year award beginning in FY16 and anticipated rollover amounts to subsequent years.
- **\$1,514,192 reduction in FY 16 and FY 17. (BED 120/SI; MOF: P)** Adjustment is for federal grants based on the FY15 appropriation amount and anticipated rollover from current year to subsequent years.
- **\$320,000 reduction in FY 16 and FY 17. (BED 120/SI; MOF: V)** Adjustment to remove appropriation due to closeout of remaining federal ARRA grant in FY15.

OFFICE OF AEROSPACE DEVELOPMENT- BED 128

BED 128 Executive Budget Adjustment:

- **\$16,188 and (\$16,188) tradeoff request each year to reappropriate General Funds to Personal Services from Other Current Expenses (BED 128/OA; MOF: A)** to cover budgeted salaries and higher fringe benefits costs.

RESEARCH & ECONOMIC ANALYSIS DIVISION – BED 130

BED 130 Executive Budget Adjustment:

- **\$55,449 in FY 16 and FY 17 to cover salary shortfalls. (BED 130/FA; MOF: A)**

HAWAII GREEN INFRASTRUCTURE AUTHORITY – BED 138

BED 138 Executive Budget Adjustment:

- **\$1,000,000 each year from the Hawaii Green Infrastructure Special Fund for Operating Expenses of the Hawaii Green Infrastructure Authority. (BED 138/GI; MOF: B)** Included are 5.0 FTE (T) exempt positions and funds for operational expenses.

OFFICE OF THE DIRECTOR & ADMINISTRATIVE SERVICES OFFICE – BED 142

BED 142 Executive Budget Adjustment:

- **Adds a permanent position and \$47,400 in FY 16 and \$49,056 in FY 17 to establish a Personnel Management Specialist IV position. (BED 142/AA; MOF: A)** The request will restore the abolished position as a result of the reduction in force of FY 10.

HIGH TECHNOLOGY DEVELOPMENT CORPORATION – BED 143

BED 143 Executive Budget Adjustment:

- **\$32,500 in FY 16 and FY 17 to restore the Economic Development Specialist position (0.5 FTE). (BED 143/TE; MOF: A)** HTDC has been operating with a 50% reduction in its tech-based economic development office yet working beyond capacity with the existing staff. The incubator programs have suffered extensively. HTDC is the State's lead organization as the Technology-Based Economic Development driver for the State having functions which includes retention, expansion, and startup company creation. The restoration of the general funded portion of the position is critical in supporting HTDC's efforts to grow and diversify Hawaii's tech economy and to accomplish HTDC's goal in creating 80,000 new jobs in Hawaii by 2030.
- **\$47,500 in FY 16 and FY 17 to restore the Chief Operating Officer and Innovation Program Development Manager position (0.5 FTE). (BED 143/TE; MOF: A)** This position would oversee the day-to-day operations of HTDC and be in charge of developing new programs and projects. This will free up time for the Executive Director to pursue larger strategic partnerships and opportunities that align with HTDC's longer term plans. HTDC is the State's lead organization as the Technology-Based Economic Development driver for the State having functions which include retention, expansion, and startup company creation. The restoration of the general funded portion of the position is critical in supporting HTDC's efforts to grow and diversify Hawaii's tech economy and to accomplish HTDC's goal of creating 80,000 new jobs in Hawaii by 2030.
- **\$67,763 and (\$67,763) tradeoff request each year to reappropriate special funds to Personal Services from Other Current Expenses (BED 143/TE; MOF: B)** to cover budgeted salaries of staff currently in the positions and higher fringe benefits costs.

- **\$67,241 and (\$67,241) tradeoff request each year to reappropriate federal funds to Personal Services from Other Current Expenses (BED 143/TE; MOF: P)** to cover budgeted salaries of staff currently in the positions and higher fringe benefits costs.

OFFICE OF PLANNING – BED 144

BED 144 Executive Budget Adjustment:

- **Reduction of \$51,312 Federal Funds and the Planner VI Position (BED 144/PL; MOF: N)** (A correction needs to be made due to error during budget preparation, which reduces Federal Funds and eliminates an existing position.) DBEDT supports the retention of the Planner VI position (Position No. 26624) and Federal funds for the Planner VI position. The Planner VI position is currently funded by Federal funds. The executive base budget request erroneously cuts both the position and Federal funding for the position. This reduction means that there will not be a Planner to oversee and administer Federal Economic Development Administration (EDA) grants for economic planning projects. The reduction of Federal funds should only occur if general funds are appropriated for the Planner VI position.
- **Reduction of \$8,840 in FY 16 and \$12,737 in FY 17 Federal Funds (BED 144/PL; MOF: N)** due to collective bargaining.
- **Reduction of \$118,104 in FY 16 and \$170,157 in FY 17 in Federal Funds (BED 144/PZ; MOF: N)** due to collective bargaining.
- **\$58,728 in FY 16 and \$60,780 in FY17 for a full-time Planner position to review Transit Oriented Development plans. (BED 144/PL; MOF: A)** Within the State Administration, OP has been assigned the lead for Transit Oriented Development (TOD) planning, and has been conducting TOD planning and coordination with state and county agencies.

HAWAII STRATEGIC DEVELOPMENT CORPORATION – BED 145

BED 145 Executive Budget Adjustment:

- **\$10,000,000 in FY 16 in CIP and \$10,000,000 Ceiling Increase for the Hawaii Strategic Development Corporation Revolving Fund to Support the HI Growth Initiative. (BED 145/VC; MOF: C and W)** The requested infusion of capital will be a continuation of the successfully launched HI Growth Initiative Investment program. So far, HSDC investments have supported the launch of two new accelerator programs, and helped to capitalize five new Hawaii-based investment funds that provide access to a continuum of capital for startups and companies looking to grow and scale their businesses. These efforts have attracted a significant amount of private sector co-investment. The HI Growth Initiative has also launched the Connect and Network program to support entrepreneurial events like investor summits, Startup Weekends, and pitch workshops and events on Oahu, Maui and Hawaii Island. It has also supported the Business Roundtable's efforts to produce an innovation report for the State. Additional funds are requested to continue support for these existing programs to maintain this

momentum, and to focus on new investment programs to support industry sectors such as healthcare, advanced manufacturing, value-added agriculture and the creative sector.

- **\$500,000 to fund broadband sites for one year. (BED 145/VC; MOF: A)** Requesting general funds for broadband pilot program to deploy high speed connectivity to startup innovation businesses across the State. Requesting increase in HSDC's Revolving Fund ceiling to take into account expanded investing capacity by HSDC.

NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY – BED 146

BED 146 Executive Budget Adjustment:

- **\$330,000 Improvements to the Research Campus. (BED 146; MOF: C)** These funds will allow NELHA to complete Phase II of the Research Campus upgrade. To date, we have either raised or obligated \$4.7 million of our own funds for Phase I.
- **\$1,000,000 CIP funding for Grading of Land for Small Business Development. (BED 146; MOF: D)** HOST Park has been developed on an 1801 lava flow and has run out of graded land to offer potential clients. At \$50,000/acre, grading costs to level land at NELHA is amongst the highest in the State. This presents a significant barrier to small businesses that would otherwise be able to establish themselves at NELHA. Small business compounds provide a needed transition space for businesses graduating out of the NELHA incubation/research campus and into the technical park. It is NELHA's experience that graded land is leased out very quickly after it has been graded. In the 90's, CIP funds were allocated to develop NELHA's first small business compound. That compound was fully leased within two years. More recently, NELHA reprocessed six acres of graded land, half of which has already been approved for a new project. NELHA has run out of graded land to offer potential clients. Two areas at NELHA are slated for grading: a 7-acre parcel at low elevation and a 13-acre parcel at higher elevation, each to provide two to four lots for lease. This would allow for a total of four to eight new small businesses being established in West Hawaii and further diversify the visitor industry related economy.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY – BED 150

BED 150 Executive Budget Adjustments:

- **\$1,855,000 in FY 16 and FY 17 CIP funding for HCDA Community Development Districts (BED 150; MOF: C)** to pay the wages and fringe benefits for permanent and non-permanent project-funded staff positions for all HCDA community development districts.
- **\$4,000,000 in FY 16 CIP funding to plan and design a Parking Structure in Kakaako Makai. (BED 150/KA; MOF: D)** It is anticipated that a public parking garage on Kakaako Makai lot, identified as Lot C, would provide parking for the John A. Burns School of Medicine and the Cancer Center of Hawaii, other new developments on Lot C, as well as serving regional parking needs. Lot C is also designated for a collaborative project that would be utilized by the High Technology Development Corporation.

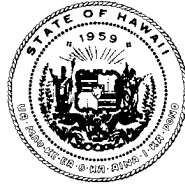
- **\$55,184 in FY 16 and \$59,475 in FY 17 to increase the personnel services staff. (BED 150/KA; MOF: W)** Request increase in expenditure ceiling for personal services of the HCDA revolving fund to finance Board authorized salary increase and associated fringe benefits for the HCDA Executive Director and Private Secretary.
- **\$21,990 in FY 16 and \$26,752 in FY 17 to increase staff for Kalaeloa development. (BED 150/KL; MOF: W)** Request increase in expenditure ceiling for personal services of the Kalaeloa Community Development District to finance increased salaries and associated fringe benefits.

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION - BED 160

BED 160 Executive Budget Adjustment:

- **Federal fund ceiling increases for the federal HOME Investments Partnerships Program of \$100,000 in FY16 and \$200,000 in FY17. (BED 160/HF; MOF: N)** The requested increase is intended to accommodate expected increases to the State of Hawaii's HOME award in FY16 and FY17. Federal HOME funds are allocated on an annual rotating basis to the Counties of Hawaii, Kauai and Maui to expand the supply of decent, safe, affordable and sanitary housing, through a variety of activities, including tenant-based rental assistance; down payment loans for first-time homebuyers; rehabilitation loans for existing homeowners; property acquisition; new construction, reconstruction, moderate or substantial rehabilitation; site improvements; demolition; relocation expenses; loan guarantees; and other reasonable and necessary expenses related to the development of affordable housing.
- **\$100,000,000 in FY 16 in CIP and \$100,000,000 Ceiling Increase in FY 16 and FY 17 for Rental Housing Trust Fund (RHTF). (BED 160/HF; MOF: C and T)** To provide additional resources to finance the development of affordable rental housing. There is a substantial need for affordable rental housing throughout the State of Hawaii. A critical barrier to increasing the inventory of affordable rental units is the financing gap between the costs of developing an affordable project and the amount of rental income that a project serving very-low and low-income households can expect to generate over the useful life of the structures. RHTF was created to fill that financing gap by providing loans or grants to projects that set aside units affordable to very-low and low-income families.
- **\$1,403,260 in FY 16 and \$1,893,771 in FY 17 for Personnel Services, Audit and Office Rent Adjustments. (BED 160/HA; MOF: W)** Rental of Land and Building, which covers office rent, is included in the current budget at a fixed amount. The increase will accommodate the approximately 5% annual increases in base rent and escalation charges pursuant to the terms of the existing lease agreement.
- **\$445,518 in FY 16 and \$593,887 in FY 17 for Personnel Services. (BED 160/HD; MOF: W)** Payroll adjustments are based on Article 51 of the BU13 Tentative Agreement dated October, 2013, as adjusted by the CB allocation. Fringe Benefits are calculated at 42% of total estimated salaries, per Finance Memorandum 14-02. OPEB Contribution has been calculated pursuant to Act 268, SLH 2013.

- **\$656,565 in FY 16 and \$849,626 in FY 17 for Consultant Services. (BED 160/HF; MOF W)** HHFDC administers various rental assistance and financing programs that assist in the development of preservation of affordable rental housing projects including HOME Investment Partnerships, Hula Mae Multi-Family, Low Income Housing Tax Credit, Neighborhood Stabilization Program, Rental Assistance Program, Rental Assistance Revolving Fund, and Rental Housing Trust Fund. The cost of services to monitor the rental housing projects for compliance with rules and regulations of the various financing programs is currently unbudgeted. The requested amount is based on an existing contract.
- **\$104,337 in FY 16 and \$80,012 in FY 17 for computer hardware and software upgrades. (BED 160/HA; MOF: W)**



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

March 11, 2015 at 11:00 a.m.
State Capitol, Room 308

In consideration of
H.B. 500
RELATING TO THE STATE BUDGET.

HHFDC supports H.B. 500, the Executive Biennium Budget request, as amended by Governor's Message 207, which requests an increase to revolving funds for primarily salary shortfalls and computer upgrades, and an infusion of \$100 million for the Rental Housing Trust Fund (RHTF). HHFDC's requests for adjustments to its base operating budget are summarized below:

BED 160/HA	FY2016	FY2017
Personal Services (collective bargaining adjust.)	\$ 886,764 W	1,311,675 W
Other Current Expenses (rent)	<u>516,496 W</u>	<u>582,096 W</u>
	\$ 1,403,260 W	\$ 1,893,771 W
BED 160/HD	FY2016	FY2017
Personal Services (collective bargaining adjust.)	\$ 445,518 W	\$ 593,887 W
BED 160/HF	FY2016	FY2017
Personal Services (collective bargaining adjust.)	\$ 446,165 W	\$ 628,706 W
Other Current Expenses (services on a fee basis)	<u>210,400 W</u>	<u>220,920 W</u>
	\$ 656,565 W	\$ 849,626 W
BED 160/HA	FY2016	FY2017
Other Current Expenses (computer hardware and software upgrades)	\$ 104,337 W	\$ 80,012 W
BED 160/HF	FY2016	FY2017
HOME Program ceiling increase	\$ 100,000 N	\$ 200,000 N
BED 160/HF	FY2016	FY2017
RHTF ceiling increase	\$100,000,000 T	\$100,000,000 T

Additionally, HHFDC **strongly supports** the Governor's Capital Improvement Project (CIP) request for an infusion of \$100,000,000 in G.O. Bond funds in FY 2016 into the RHTF to be leveraged with private funds and state-owned lands along the transit route to provide rental homes for working families.

The RHTF provides equity gap low-interest loans or grants to qualified owners and developers for the development, pre-development, construction, and acquisition/rehabilitation of affordable rental housing projects. Since inception, the RHTF has funded 5,205 units in 64 affordable rental projects statewide.

The HHFDC makes project awards to eligible projects through competitive funding rounds, subject to the availability of funds. Pursuant to the requirements of section 37-40, HRS, the HHFDC cannot make project awards unless the full amount of the project award is available to be committed to the project. Therefore, a new project award can only be made if there are sufficient uncommitted RHTF funds available.

This CIP request is based on the need for affordable rental housing. The December 2014 Rental Housing Study projected a total statewide affordable rental housing need of 27,224 units over the next 6 years, of which a total of **14,008 units** are needed in the City and County of Honolulu for families at or below 80 percent of the area median income.

A December 2014 survey of housing developers showed that over 1,600 affordable rental housing units could be delivered, statewide, with RHTF awards ranging from \$177.4 to \$205.5 million. If the scope is narrowed to areas near rail stations on Oahu, approximately 900 affordable rental units could be delivered with RHTF awards ranging from \$91.8 to \$114.7 million.

We respectfully request your favorable consideration of these requests. Thank you for the opportunity to testify.



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David Y. Ige
Governor

Ronald Williams
Chief Executive Officer

Testimony of
Ronald Williams
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.B. No. 500
Relating to the State Budget
House Committee on Finance
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11:00 a.m.
Conference Room 308

The overarching goal of the Hawaii Tourism Authority (HTA) is to optimize benefits for Hawaii and integrate the interests of visitors, the community, and the visitor industry. The HTA is guided by a tourism Brand Management Plan and priorities established in the Tourism Strategic Plan. In 2014, the HTA's focus was on maintaining the positive momentum experienced over the previous two years, and in the first eleven months of 2014, total arrivals increased 0.9 percent to 7,517,413 visitors and total expenditures rose 2.3 percent to \$13.3 billion. The increase in arrivals and the resulting increase in visitor spending generated an incremental \$293 million more into the state's economy compared to 2013, provided \$1.4 billion in state tax revenue and supported over 160,000 visitor industry and related jobs.

In 2015, the HTA is committed to building and sustaining the demand from our major market areas, distributing the benefits of tourism across all islands, and leveraging opportunities and partnerships from developing markets, especially in the Asia-Pacific region. Further developing Latin America is a focus for the HTA and have just recently selected a GSA representation for this growing market. We will continue our expansion into other international markets such as Southeast Asia and Hong Kong with RFT's planned for both of these markets in 2015, helping to further our tourism profile.

We will continue to work with the airlines to uncover growth opportunities and stimulate direct service to the state. We will also continue to partner with the airline and travel wholesalers to support existing routes and impact the shoulder periods. Air seats continued to increase in 2014, and is projected to finish the year at a record 11.1 million inbound seats, which equates to an additional 420,000 seats servicing the Hawaiian Islands compared to 2013.

While we are pleased with the results of 2014, we see the momentum begin to slow and expect that to continue into 2015. We recognize that the industry is affected by global trends and events, and is cyclical, so we must be cognizant as we look to 2015 and future years. There are many factors that affect our tourism economy like currency exchange rates, fuel surcharges and other taxes being levied in some markets; which all contribute to the rising cost of a Hawaii vacation. The efforts of the HTA are critical to sustaining Hawaii's tourism economy.

We recommend that the HTA be allowed to retain its current allocation level of TAT revenues, which will allow us to meet our goals that directly impact the state's economy and the overall quality of life of our residents.

Mahalo for the opportunity to offer these comments.



Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON FINANCE

March 11, 2015
11:00 AM
State Capitol, Conference Room 308

In consideration of
HB 500 RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) strongly supports the HB 500 budget items for BED 145 and respectfully provides comments.

Sequence Number 210-002, together with the CIP request for BED 145 in GM 207, provides \$10 million of funding for the HI Growth Initiative. Growing the Innovation Economy is a key part of Governor David Ige's action plan to generate economic growth and create jobs. The HI Growth Initiative is an economic development program to invest in an innovation ecosystem that will support entrepreneurial high growth businesses and create high wage jobs for our people.

However, this budget proposal should add funds to the existing Hawaii Strategic Development Corporation Revolving Fund and not the HI Growth Initiative Revolving Fund, as this fund does not currently exist.

The HI Growth Initiative was appropriated \$6 million in 2013 and, together with funding from U.S. Department of the Treasury's State Small Business Credit Initiative, has been a catalyst to develop critical pieces of Hawaii's innovation ecosystem: entrepreneurial development, commercialization and startup investment capital.

Over the past several years, partnerships with entrepreneurs, corporates, investors, non-profits and local governments have established a vibrant statewide innovation ecosystem that the innovation community has branded "Startup Paradise". From virtually no activity just four years ago, Startup Paradise now includes nationally-recognized Hawaii accelerator programs that help launch 25 new companies per year; numerous events that showcase Hawaii startups to private investors; investment programs that help commercialize the University of Hawaii's world-class research; and 5 Hawaii-based investment funds that span the startup lifecycle.

Sequence Number 201-001 provides funding for the Broadband Deployment Pilot Program, also known as the Bandwidth for Business Program.

The key infrastructure requirement for the innovation sector is high-speed broadband. Not only does high speed broadband serve as the digital highway connecting innovation startups and businesses to the global marketplace, but it is also an essential quality-of-life amenity for the innovation workforce. Regions around the US are quickly recognizing the importance of high speed broadband as a driver of economic growth.

The Bandwidth for Business Program aims to establish “proof of concept” use cases for high speed broadband in Hawaii’s innovation sector in order to validate further investment in Hawaii’s broadband infrastructure by public and private entities.

High speed broadband, 100 megabits or higher, is not currently available at affordable rates for Hawaii co-working spaces. The intent of the HI Growth 100 Program is to de-risk the implementation of high speed broadband and make it readily accessible to the innovation community by enabling key co-working spaces around the state to provide 100 megabit (100 Mbps) capacity.

If Hawaii is to sustain the growth of an innovation economy, high speed broadband must be accessible for startups and businesses in the innovation sector.

This project is part of The HI Growth Initiative, the State’s core effort to grow an innovation economy in Hawaii by investing in the infrastructure, workforce and capital requirements of the innovation sector.

Thank you for the opportunity to provide testimony.

Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Wednesday, March 11, 2015
11:00 a.m.
State Capitol, Conference Room 308
In consideration of

HB500 RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports** HB500 regarding the request by Department of Business, Economic Development, and Tourism (DBEDT) to add two 0.5 general fund positions for HTDC - BED143.

The two 0.5 positions are a reinstatement of existing positions lost during the previous session. The positions were lost as a result of not being filled, and were not filled due to budget restrictions and a leaning of operations since the economic downturn in 2009. Each position is 0.5 special funded and 0.5 general funded. HTDC has budget to fund the special funded portion of each position and the workload for two additional full time staff.

This year, under new leadership, HTDC launched several new initiatives as part of a vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030. The new initiatives were launched through the commitment of the existing staff and will require additional support to build out and maintain. In the past year HTDC's activities have grown with the \$3 million U.S. Economic Development Authority grant to construct the Entrepreneur's Sandbox in Kakaako, planning of three technology parks (geriatric, cyber and agriculture), and the launch of the Neighbor Island Innovation Initiative providing mentorship support to underserved areas of the state. In addition, HTDC's two federal programs have secured additional federal funds to expand which will require more administrative management matching support from HTDC. In addition, HTDC will assist DBEDT with the expansion of broadband infrastructure in Hawaii due to synergies with and core competencies of our agency.

An Economic Development Specialist and a Chief Operating Officer and Innovation Program Development Manager are imperative to ensure the continued success of these projects. If the existing staff is left to focus on administration, we cannot continue the work we have started to achieve our goals for the 80/80 jobs initiative. The 80/80 initiative is about thinking differently, thinking big and taking action. We hope the committee sees the value HTDC is delivering in building an innovation economy and creating high wage job opportunities to keep Hawaii's brightest minds home. We respectfully ask for your support. Thank you for the opportunity to offer these comments.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015
Wednesday, March 11, 2015
11:00 a.m.

TESTIMONY ON HOUSE BILL NO. 500, RELATING TO THE STATE BUDGET.

TO THE HONORABLE SYLVIA LUKE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

I am Catherine Awakuni Colón, Director of the Department of Commerce and Consumer Affairs (“DCCA” or “Department”), testifying in support of House Bill No. 500, Relating to the State Budget (“H.B. 500”), which appropriates funds for the Department’s operations during the 2015-2017 fiscal biennium (“FB 2015-2017”). The Department also supports the adoption by this Committee of each of the DCCA-related budget adjustments requested in the Governor’s Message No. 207 (“G.M. 207”).

DCCA is the state agency responsible for promoting a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for our businesses and citizens. The Department is supported almost exclusively by special funds assessed on

those individuals and entities regulated by the Department's multiple divisions and programs. Taken together, the appropriation items requested in H.B. 500 and G.M. 207 would provide the needed funds to support the effective and efficient operations of the Department during FB 2015-2017.

In particular, DCCA would like to highlight the following budget request items that will collectively support enhanced Department operations as set forth in the FB 2015-2017 Executive Budget, including the adjustments requested in G.M. 207:

1. Trade-offs/transfers without DCCA budget ceiling impact.

- CCA106 – Insurance Regulatory Services: Transfer of one position from the Licensing Branch to the Captive Insurance Branch to provide the critical support needed for the sustained growth of the captive insurance industry in Hawaii.

2. Select Non-General Fund adjustments.

- CCA901 – Public Utilities Commission: Addition of \$12,452,628 and 62 permanent positions for fiscal year (“FY”) 2016 and \$12,561,793 and 62 permanent positions for FY 2017 for the program transfer of the Public Utilities Commission (“PUC”) from the Department of Budget and Finance to the DCCA as an administratively attached agency, pursuant to Act 108, Session Laws of 2014.
- Ceiling increase for Personal Services costs (Fringe Benefits; includes PUC's costs): \$4,334,650 for FY 2016 and \$4,747,154 for FY 2017.

3. Adjustments for non-recurring items from the 2014 legislative session.

- CCA104 – Financial Services Regulation: Ceiling increase of \$110,000 to allow for the payment of increase claims against the Mortgage Loan Recovery Fund (“MLRF”) beyond the current ceiling, as well as any administrative expenses related to the administration of the MLRF.

4. Governor’s Message No. 207 – Operating budget items.

- CCA104 – Financial Services Regulation: Addition of \$258,211 and five permanent positions for FY 2016 and \$516,940 and five permanent positions for FY 2017 to provide critical personnel and resources necessary to effectively manage the Mortgage Loan Originator and Mortgage Loan Originator Company Program and the Mortgage Servicer Program, both of which have seen significant industry and regulatory expansion in recent years.
- CCA112 – Regulated Industries Complaints Office: Addition of \$540,000 in FY 2016 and \$445,000 in FY 2017 for the replacement of the Complaints Management System to improve the general accessibility of regulatory records.
- CCA105 – Professional and Vocational Licensing Division: Addition of \$585,000 in FY 2016 and \$85,000 in FY 2017 to complete the Applicant/Licensee Integrated Automated System (ALIAS) upgrade.
- CCA110 – General Support: Ceiling increase of \$135,196 in FY 2016 and \$174,737 in FY 2017 to cover increased building maintenance and support services.

- CCA106 – Insurance Regulatory Services: Ceiling increase of \$200,000 for FY 2016 and FY 2017 to allow for the transfer to recipients of the increased fees collected and deposited into the Driver Education Fund.
- CCA901 – Public Utilities Commission: Budget ceiling increases of \$606,175 in FY 2016 and \$604,889 in FY 2017 to pay for administrative support service costs provided by DCCA to the PUC as required by Section 36-30, Hawaii Revised Statutes. Additional ceiling increases for the completion of the PUC's office space renovation project of \$3,562,861 in FY 2016 and \$731,721 in FY 2017. Lastly, the addition of \$316,495 in both FY 2016 and FY 2017 for three permanent positions required under Act 108, Session Laws of Hawaii 2014, to support the ongoing operations of the PUC following its administrative transfer per Act 108.

Thank you for the opportunity to provide testimony in support of both H.B. 500 and the adjustments requested in G.M. 207.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
FINANCE

MARCH 11, 2015
11:00 a.m.

MEASURE: H.B. No. 500

TITLE: Relating to the State Budget

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

DESCRIPTION:

This measure appropriates funds for the operating and capital improvement budget of the Executive Branch of the State for fiscal years 2015-2016 ("FY 2016") and 2016-2017 ("FY 2017"). This measure currently appropriates amounts to be expended from the Public Utilities Commission Special Fund ("Special Fund") under section 269-33, Hawaii Revised Statutes ("HRS"), for the Public Utilities Commission's ("Commission") and the Division of Consumer Advocacy's operating expenses only.

POSITION:

The Commission supports the passage of H.B. No. 500, provided it is amended to appropriate expenditure from the Commission's Special Fund, consistent with GM No. 207, for:

- 1) The completion of the Commission's mission critical office space expansion and renovation project;
- 2) The three additional positions statutorily authorized by Act 108 of the 2014 Legislative Session; and
- 3) The estimated share of administrative expenses assessed by the Department of Commerce and Consumer Affairs ("DCCA"), which the Commission is required to cover under § 36-30, HRS.

COMMENTS:

The Commission would appreciate the Committee's consideration for appropriation of expenditure from the Commission's Special Fund, consistent with GM No. 207, as reflected in the table below:

REQUEST	FY 2016	FY 2017
PUC Operating Budget (62.0)	13,796,134	13,962,065
<u>PUC Expansion and Renovation Project</u>	3,562,861	731,721
<u>Act 108, SLH 2014 Additional Positions</u>	316,495	316,495
<u>Admin. Assessments - Section 36-30, HRS</u>	606,175	604,889
Total Request	18,281,665	15,615,170

PUC Expansion and Renovation Project

The Commission requests appropriation for expenditure from the Commission's Special Fund for \$3,562,861 in FY 2016 and \$731,721 in FY 2017 to complete the Commission's renovation to support its reorganization authorized by Act 177, SLH 2007, and Act 108, SLH 2014.

These funds will cover the final phase of the Commission's expansion and renovation project which includes design, construction, and support costs to renovate the Commission's existing office on the first floor of the Kekuanaoa building. The Commission has made substantial progress in the past three years in moving forward its comprehensive office expansion and renovation plan in coordination with the Department of Accounting and General Services, the Department of Budget and Finance, and the Office of the Attorney General. Design and construction plans have been completed for the B-1 and B-2 rooms in the Kekuanaoa building and construction is anticipated to commence in the next three months.

Without the completion of the final phase of the Commission's expansion and renovation project, the Commission will lack enough space to staff up to the much needed 65 staff positions as authorized by Act 177, SLH 2007 and Act 108, SLH 2014.

Act 108, SLH 2014 Additional Positions

The Commission requests appropriation for expenditure from the Commission's Special Fund for \$316,495 in FY 2016 and FY 2017 to fund three critical personnel positions as authorized by Act 108, SLH 2014, to oversee administrative functions that were previously handled by the Department of Budget and Finance.

Administrative Assessments

The Commission requests appropriation for expenditure from the Commission's Special Fund for \$606,175 in FY 2016 and \$604,889 in FY 2017 to cover the estimated share of administrative expenses assessed by DCCA, which the Commission is required to cover under Section 36-30, HRS.

The Commission respectfully requests this Committee's consideration for the inclusion of these appropriations in the State Budget. Thank you for the opportunity to testify on this measure.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 500
A BILL RELATING TO THE STATE BUDGET

PRESENTATION TO
THE HOUSE COMMITTEE ON FINANCE

BY

BRIGADIER GENERAL ARTHUR LOGAN
ADJUTANT GENERAL
AND DIRECTOR OF STATE EMERGENCY MANAGEMENT AGENCY
March 11, 2015

Chair Luke, Vice Chair Nishimoto and the members of the House Committee on Finance:

I am Brigadier General Arthur Logan, Adjutant General and Director of the State Emergency Management Agency. I am providing written testimony in **SUPPORT** of House Bill 500.

Funding from House Bill 500 will allow the State Department of Defense to continue restoration of needed services to the general public, provide more timely services to our veterans, and improved facilities for our at-risk youth.

The department's operating budget request is \$1,249,154 in State funds. The matching federal funds will be \$2,189,085. This operating budget adjustment to non-recurring items and additional resources ensure the department's continued drive to restore and increase services curtailed in the past few years.

The FY2016/17 capital improvement project (CIP) requests for State general obligation bond funds (C) are \$6,000,000 in FY16 and \$30,384,000 in FY17. Approval of this request will bring in federal funds in the amount of \$4,670,000 (N) in FY16 and \$40,135,000 (N) in FY17 for a total of \$44,805,000 (N). This capital improvement project funding will support initiatives that are needed to upgrade and provide health and safety improvements to our state military facilities, state emergency operating center and department headquarters, as well as support at-risk youth through our Youth Challenge Academy program. Additionally, funding will also support a new VA Long Term Care Home for Hawaii veterans.

Thank you for the opportunity to provide written testimony that to **SUPPORT** of House Bill 500.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/11/2015
Time: 11:00 AM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0500 RELATING TO THE STATE BUDGET

Purpose of Bill: Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

Department's Position:

The Department of Education (Department) supports the passage of this measure and appreciates the Legislature's continued support of education priorities.

The Department's budget request contained in this measure was developed by the prior Administration using the instructions issued by the Department of Budget and Finance in Finance Memorandum 14-12 and amended by the current Administration via Governor's Message:

1. To fold into the budget previously approved collective bargaining adjustments;
2. To accommodate within the existing budget ceiling changing conditions and priorities of programs where there is no increase in general fund support, such as the reallocation of funds for the Hawaii School for Deaf and Blind, Lahainaluna Boarding Program, High Core Alternative Learning Center, and Food Service Program;
3. To maximize the use of non-general funds to support programs and more accurately reflect planned program needs, such as with the Student Transportation Programs and its revolving fund;
4. For the restoration of the legislatively identified \$9 million non-recurring portion of the Utility budget; and,
5. To request additional general fund support for the benefit of public schools.

After many years of working with a flat general fund budget and finding resources to manage workload and cost increases from within, a number of requests for additional support were made by the Department and Board of Education including requests for the following priority programs:

1. Weighted Student Formula projected enrollment increase - funded in FY16 and partially funded in FY17 in HB500
2. Food Service Program shortfall - funded in FY16 and partially funded in FY17 in HB500
3. Utilities shortfall - partially funded in FY16 and FY17 in HB500
4. Student Transportation shortfall - funded in FY16 and partially funded in FY17 in HB500
5. Student Information Systems replacement - not funded in HB500
6. Civil Rights Compliance staffing due to caseload - not funded in HB500
7. Workers Compensation shortfall - not funded in HB500
8. Hard-to-Staff area retention bonus for teachers - not funded in HB500
9. Strategy, Innovation, and Performance Office operations - not funded in HB500
10. Advanced Placement support for students - not funded in HB500
11. School Improvement Process through support with accreditation - not funded in HB500
12. Support for Schools through complex area support - not funded in HB500
13. Online Learning Management System for credit courses and professional development - not funded in HB500

14. Access Learning support for school staff - not funded in HB500
15. Resources for New Facilities to equip newly developed school facilities - not funded in HB500

Any assistance that can be accommodated within available general fund resources are greatly appreciated. Thank you for the opportunity to provide testimony on this measure.

DAVID IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
('AHA KULA HO'ĀMANA)

1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776
<http://CharterCommission.Hawaii.Gov>

FOR: HB500 Relating to the State Budget
DATE: Wednesday, March 11, 2015
TIME: 11:00 a.m.
COMMITTEE(S): House Committee on Finance
ROOM: Conference Room 308
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Chair Luke, Vice Chair Nishimoto, and members of the Committee:

The State Public Charter School Commission ("Commission") appreciates the opportunity to submit this testimony on House Bill 500, the Executive Budget.

Commission budget request

The Commission's original budget request for the charter schools as submitted to the Department of Budget and Finance in October included funding for charter school expenses as provided by stator formula and for the Commission operational expenses.

The Commission's operating budget is essentially a status quo budget. We do gratefully note that consideration is being given to separating out the Commission's funding in a new budget code separate from that for the charter school, to reflect the Legislature's statutory clarification last Session that the Commission's budget henceforth will be appropriated separately from, and in addition to school funding.

We note that, as in past years, the Commission this year also submitted proposed Capital Improvement Projects ("CIP") as requested from charter schools. The Commission has been instructed that eligibility for these requests is limited to start-up charter schools located on state land. These projects were not recommended for approval in the executive budget. However, several measures have advance in both the House and the Senate this Session to

begin, cautiously and responsibly, to address this longstanding challenge in our state charter school system.

In addition to the CIP requests from the schools, the Commission has requested a \$5 million appropriation to provide food service facilities at six charter schools. Some charter schools lack commercial kitchen facilities adequate to provide meals to students. Previously these schools were able to contract with the Department of Education ("DOE") for meals, but the DOE in 2013 discontinued this vending relationship. The challenge is compounded by the inadequacy of the current level of federal meal reimbursement under the School Lunch Program, an issue on which the DOE has initiated a promising effort to address.

Emergency relief to charter schools impacted by lava emergency

Finally, in addition to the Commission's budget request, and as we described in our budget briefing to the joint Finance and Ways and Means Committees on January 8, 2015, the Commission has been working with the Office of the Governor, the Legislature, the Department of Education, the Federal Emergency Management Agency, and other stakeholders on potential means of providing assistance to public charter schools on the island of Hawaii that have been impacted by the Puna lava flow.

As of this writing, a proposed bill to provide relief to two schools, Senate Bill 600, was not approved by the Senate, but our understanding is that the Senate Ways and Means Committee is considering the Major Disaster Fund established under Section 127A-16, Hawaii Revised Statutes, as another potential vehicle for affording such relief. Senate Bill 1211, which passed Third Reading in the Senate, would raise the cap on the amount of funds that could be released for any one disaster. We would respectfully call the Committee's attention to this legislation and to the possible need to appropriate more funding into that fund as a means of supporting these communities in this time of need.

Thank you for your consideration of these comments.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RANDY BALDEMOR
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES
DEVELOPMENT**

235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 9, 2015

**TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE**

For Hearing on Wednesday, March 11, 2015
11:00 a.m., Conference Room 308

BY

JAMES NISHIMOTO
DIRECTOR

**House Bill No. 500
Relating to the State Budget**

TO CHAIRPERSON SYLVIA LUKE AND MEMBERS OF THE COMMITTEE:

The purpose of House Bill No. 500 is to appropriate funds for the operating and capital improvement costs for agencies in the Executive Branch for the fiscal biennium 2015-2017.

The Department of Human Resources Development (DHRD) strongly supports this measure as it relates to DHRD's budget request. We are aware of the challenges ahead and remain committed to work with the Legislature to seek solutions that effectively balance short and long term priorities.

Thank you for the opportunity to provide testimony on this measure.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

**House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair**

March 11, 2015
Conference Room 308
11:00 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 500, Relating to the State Budget. Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in support of HB 500, that relates to the State Budget.

Fiscal Years 2016-2017 Biennium Budget

On September 29, 2014, HHSC received budget preparation instructions from the Administration which contained the following assumptions (relating to HTH 212):

- The Administration decreased the \$102 million in general fund appropriations appropriated by the Legislature in fiscal year 2015 by removing \$12 million in collective bargaining funding and removing \$5 million in general fund appropriations, which brought the baseline general fund appropriation down to approximately \$85 million.
- Continued collective bargaining pay raises of 4% for both fiscal year 2016 and fiscal year 2017, with no general fund appropriations to pay for these raises. This amounts to an additional \$19.8 million and \$22.6 million in costs to HHSC for fiscal years 2016 and 2017, respectively.
- Increased fringe benefit rate from 42% to 52% for both fiscal year 2016 and fiscal year 2017 in order to fund the retiree health insurance costs. In the 2013 Legislative Session, Act 268 was passed which required the State to increase funding of retiree health insurance costs by 20% each year from fiscal years

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HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU

2014 to 2019 until 100% of the annual required contribution is funded. The Administration did not provide any general fund appropriations to HHSC to cover this increase in fringe benefit costs, which will cost HHSC approximately \$34.6 million in fiscal years 2016 and 2017. The difference between the fringe rate of private hospitals of 25-27% and the 52% rate the State is assessing represents approximately \$80.0 million in additional costs to HHSC annually.

The major assumption initially made by HHSC is the impact of ICD-10 revenue shortfalls as a result of the federal mandate to implement the new ICD-10 coding standard on October 1, 2015. Over the fall of 2014, HHSC worked with the Advisory Board (HHSC's ICD-10 implementation consultant) to determine a range of potential lost revenue as a result of the ICD-10 transition. It appears that HHSC could lose revenue in two areas: 1) rebasing of DRG payments based on the expanded coding set and 2) medical necessity denials due to improper coding. This resulted in a projected impact of approximately \$30 million in FY 16 and \$40 million in FY 17 of lost revenue that has been included in the projections below. However, HHSC management has since worked with Advisory Board to come up with better projections by facility and region for the projected ICD-10 shortfall, and now estimates that the projected revenue loss will be approximately \$4.3 million in fiscal year 2016 only.

SUMMARY OF FISCAL YEARS 2015 – 2017 PROJECTED SHORTFALLS (Amounts in \$'000's):

	FY 2015	FY 2016	FY 2017
Cash Collections	570,272	561,770	576,780
Salaries & Benefits Costs	433,063	491,753	518,680
Non-Payroll Costs	228,010	228,689	235,908
Total Operating Costs	661,073	720,442	754,588
Cash Flow Deficit from Operations	(90,801)	(158,672)	(177,808)
General Fund Appropriations	101,940	84,940	84,940
Other Non-Operating Items	(26,498)	(18,256)	(16,857)
Projected Cash Flow Deficit	(15,359)	(91,988)	(109,725)

REASONS FOR THE SHORTFALLS (Amounts in millions of \$):

	FY 2015	FY 2016	FY 2017
Collective Bargaining Underfunding	48.1	79.9	96.9
Fringe Benefit Rate Increase of 10%	-	34.6	34.6
Loss of Revenue from ICD-10	-	4.3	-

Alternatives Considered

HHSC believes that the best alternative in order for its communities to receive the healthcare they deserve at the minimum cost to the State of Hawaii would be to find another health system which would engage HHSC in a public-private partnership. All Regional Boards and the Corporate Board support the exploration of the concept of public-private partnerships. This strategy was recommended in the Stroudwater Report that was commissioned by the Legislature in 2009. The boards believe a public-private partnership would allow HHSC's facilities to:

- Gain access to private capital to build and maintain information technology infrastructure, increase access to services, and address physical plant needs.
- Optimize clinical practice and care delivery.
- Implement private sector compensation packages to retain qualified medical service personnel.
- Reduce waste and obtain efficiencies of scale.
- Create a sustainable model of health care delivery that will lower costs and improve outcomes (quality).
- Reduce dependence on government subsidies.

Legislation will be required to lay the groundwork for such a public-private partnership to occur. HHSC supports this effort in exploring all opportunities to respond to the challenges facing us today to reduce costs, increase quality, and expanding coverage of health care.

Regardless of such legislation, HHSC continues to evaluate its current operations to see where there may be opportunities for the system as a whole to operate more efficiently and effectively in providing accessible, high quality, cost-effective services that address the healthcare needs of Hawaii's unique island communities.

Thank you for the opportunity to testify in support of H.B. 500, and we hope that you will consider the request to fund all of HHSC's projected cash flow shortfalls. Thank you for all of your support in the past and your continued support of HHSC.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 11, 2015

The Honorable Sylvia Luke, Chair
House Committee on Finance
Twenty-Eighth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 500 - RELATING TO THE STATE BUDGET

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 500** relating to the specific budget items noted below. The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

1. HTH 905 – Developmental Disabilities Council

Page 19, Item No 22

FY 2015-16: \$226,704

FY 2016-2017: \$229,114

The above appropriation for both fiscal years includes funds for operating and collective bargaining costs. Included in Governor's Message No. 207 dated February 10, 2015, is \$58,093 for FY 2016-17 for relocation of the Council to the Kamamalu Building. **We respectfully ask for your support to concur with the Governor's Message by including \$58,093 in our budget for FY 2016-17.**

2. HTH 501- Developmental Disabilities

Page 18, Item No 15

A. State Match for Home and Community Based Services Waiver

FY 2015-16: \$2,880,971

FY 2016-2017: \$2,880,971

Included in Governor's Message No. 207 dated February 10, 2015, are the above funds for the State Match for the Home and Community-Based Services Waiver (HTH501/CN). These funds would be used for serving individuals under COFA (Compact of Free Association) and new admissions into the Waiver.

The Honorable Sylvia Luke
Page 2
March 11, 2015

B. State Match for Intermediate Care Facilities
FY 2015-16: \$635,000 FY 2016-2017: \$635,000

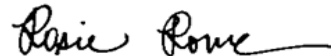
The above funds represent what is included in Governor's Message No. 207 dated February 10, 2015, for the State Match for the Intermediate Care Facility for individuals with intellectual and DD. The State match funds are critical for the Department of Health DD Division in providing services for individuals with DD who require intermediate care facilities services. Without the funds, these individuals would be at risk of losing services and their homes in the community.

The Council appreciates your favorable consideration of the above budget items. Thank you for the opportunity to provide testimony **in support of HB 500**.

Sincerely,



Waynette K.Y. Cabral, M.S.W.
Executive Administrator



Rosie Rowe
Chair

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
CARTY S. CHANG
Interim Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, March 11, 2015
11:00 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 500
RELATING TO THE STATE BUDGET**

House Bill 500 (HB 500) proposes to appropriate funds for the operating and capital improvement budgets of the Executive Branch for Fiscal Years (FY) 2015-2016 and 2016-2017. **The Department of Land and Natural Resources (Department) supports this measure but respectfully asks this Committee's favorable consideration on the insertion of additional cost adjustments, as requested and submitted by the Administration via Governor's Message No. 207.**

Operating Budget:

HB 500 proposes to appropriate the following for the Department's operating budget:

- \$75,000 in general funds in FYs 2016 and 2017
- \$4.9 in FY 2016 and \$4.2 in FY 2017 in special funds

The Department's requests in HB 500 are as follows:

- Appropriate general funds for a temporary Sustainability Coordinator position (\$75,000/\$75,000 A).
- Reauthorize spending ceiling for redesign/upgrade of State Information Management System for Land Division (\$1,000,000/0 B).
- Increase Bureau of Conveyances Special Fund ceiling to continue automation and improve electronic access to all functions in the Bureau (\$250,000/\$500,000 B).
- Reorganize the Division of Aquatic Resources to formalize and update its functional statements and branch/section titles. The reorganization will involve a number of staff transfers between branches and creation of new sections to maximize utilization of

CARTY S. CHANG
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DANIEL S. QUINN
INTERIM FIRST DEPUTY

W. ROY HARDY
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

personnel and staff capacity. The proposed reorganization will not require additional funding and positions.

- Increase non-general expenditure ceilings for the fringe benefit assessment rate of 52% in FY 2016 and 2017.
- Transfer two temporary positions and special funds from LNR 407 Natural Area Reserve and Watershed Program to LNR 906 Personnel and Administrative Services Offices. Also transfer one permanent position and special funds from LNR 801 Boating and Ocean Based Recreation to LNR 906 Personnel Office.
- Adjust federal fund ceilings based on anticipated federal awards in FY 2016 and 2017.

Capital Improvement Project (CIP) Budget:

The Department is also requesting \$19.3 in FY 2016 and \$19.5 million in FY 2017 for various CIP, Statewide.

Governor's Message No. 207

As noted earlier, the Department respectfully requests the inclusion of additional cost adjustments identified in Governor's Message No. 207, into HB 500.

For our operating budget, the additional cost adjustments of \$16.7 and \$16.1 million in FYs 2016 and FY 2017 respectively are as follows:

- Increase Natural Area Reserve Special Fund ceiling to provide additional resources for watershed protection (\$5,000,000/\$5,000,000 B).
- Appropriate general funds for interagency invasive species prevention, control, outreach, and research projects (\$4,000,000/\$4,000,000 A).
- Increase Land Conservation Special Fund ceiling to expand the program's ability to fund new projects (\$1,700,000/\$1,700,000 B).
- Increase Forest Stewardship Special Fund Ceiling to increase funding to numerous State Landowner Assistance programs (\$1,300,000/\$1,300,000 B).
- Appropriate general funds for the Kaho'olawe Island Reserve Commission to fund payroll and other expenditures (\$1,000,000/\$1,000,000 A).
- Increase State Parks Special Fund ceiling to keep pace with increasing revenue collections (\$1,000,000/\$1,000,000 B).
- Convert 12 positions from temporary to permanent for the Community Fisheries Enforcement Units and provide general funds to cover full-year salaries and other expenditures in the Division of Conservation and Resource Enforcement (\$618,624/\$618,624 A).
- Add 6 permanent positions and general funds for the State Historic Preservation Division (SHPD) (\$138,515/\$226,830 B).
- Change the means of financing of the Librarian position in SHPD from federal to general funds (\$60,000/\$60,000 A).
- Add 2 permanent positions and increase the Historic Preservation Special Fund ceiling (\$217,033/\$270,747 B).
- Add \$750,000 in general funds in FY 2016 for the Native Resources and Fire Protection Program to purchase equipment for fire, natural disaster, and emergency response.

- Increase special fund ceiling for various programs to provide full-year salaries for 24 positions (\$708,359/\$708,359 B).
- Add \$57,390 in general funds and \$87,514 in trust funds in FY 2016 and FY 2017 for the Aha Moku Advisory Committee.
- Establish a permanent Planner position to serve as a Day Use Mooring Coordinator in the Division of Boating and Ocean Recreation (\$36,024/\$72,048 B).
- Add interdepartmental funds from Department of Transportation for invasive species monitoring project (\$300,000/\$300,000 U).
- Add a temporary Japanese Tsunami Marine Debris Coordinator position in FY 2016 only (\$76,000 P).
- Reclassify the Accrued Vacation and Sick Leave Revolving Fund for CIP funded positions as a trust fund (\$188,181/\$188,181 T).
- Correct the positions identified as temporary instead of permanent in the proposed reorganization of the Division of Aquatic Resources.
- Delete 3 temporary positions and reduce \$350,000 in special fund ceiling for the Public Land Development Corporation that has been repealed.

For our CIP budget, we are requesting \$1 million in FY 2016 and \$6 million in FY 2017 for the Waikiki Beach Maintenance project to be funded by special and trust funds and private contributions.

Thank you very much for the opportunity to testify on this measure.



KŪKULU KE EA A KANALOA

KAHOʻOLawe ISLAND RESERVE COMMISSION

811 Kolu Street, Suite 201, Wailuku, HI 96793
Telephone (808) 243-5020 Fax (808) 243-5885
Website: <http://kahoolawe.hawaii.gov>

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HŌKŪLANI HOLT

Michael K. Nāhoʻopiʻi
Executive Director

Testimony of MICHAEL K. NAHOʻOPTI Executive Director

Before the House Committee on

FINANCE

Wednesday, March 11, 2015
11:00 AM
State Capitol, Conference Room 308

In consideration of HOUSE BILL 500 RELATING TO THE STATE BUDGET

House Bill 500 appropriate funds for the General Appropriation Act of 2015. The Kahoʻolawe Island Reserve Commission (KIRC) strongly supports this measure with the inclusion of Governor's Message (GM) 207.

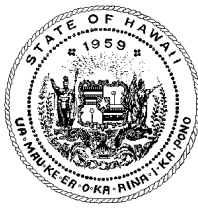
GM 207 includes propose changes to the General Appropriation Act of 2015 in support of funding for the Kahoʻolawe Island Reserve Commission to continue its innovative restoration program and management of the Kahoʻolawe Island Reserve. Specifically, GM 207 proposes an addition of \$1,000,000 for each year FY 2016 and FY 2017 to the Department of Land and Natural Resources, Natural Physical Environment (LNR 906/AA).

As stated in the Federally-mandated Kahoʻolawe Island Conveyance Commission (KICC) final report to Congress in 1993, "in the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds." For the past 20 years, the initial Federal funding has allowed the KIRC to establish many of its innovative programs that emphasize ancestral and traditional knowledge, provide a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques. GM 207 is critical to the KIRC as these trust funds will run out by the end of 2016

With 25% of the island still uncleared of unexploded ordnance and only 10% cleared for intensive use, the KIRC's continuing presence on Kahoʻolawe is needed to ensure the protection of the general public. Without funding, the KIRC will have to terminate on-island operations and close the doors to public access to Kahoʻolawe.

The funding being sought in this measure is to provide a bridge to allow the KIRC to develop community-wide partnerships, establish collaborative enterprises with other state and federal government entities, and launch long-term revenue generation and sustainable funding opportunities supporting the future of Kaho`olawe. The passage of this measure is critical to ensure that the struggle, hard work, dedication and lives given to the island will not be wasted, but forms the foundation for Kaho`olawe's role as the spiritual, cultural and physical *piko* (center) of the people of Hawai`i.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

NOLAN P. ESPINDA
DIRECTOR

Cathy Ross
Deputy Director
Administration

Deputy Director
Corrections

Shawn Tsuha
Deputy Director
Law Enforcement

TESTIMONY ON HOUSE BILL 500
RELATING TO
THE STATE BUDGET
by

Nolan P. Espinda, Director
Department of Public Safety

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

Wednesday, March 11, 2015; 11:00 AM
State Capitol, Room 308

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Department of Public Safety (PSD) **supports** House Bill 500, which details the Department's Fiscal Biennium 2015-17 Executive Budget Request for operating and capital improvement appropriations. The PSD's Fiscal Biennium 2015-17 operating budget requests reflect trade-off/transfers, non-general fund and federal fund adjustments and non-recurring funds for replacement body armor that will provide our programs with the equipment required to meet ongoing programmatic standards. Our capital improvement budget request will provide much needed funding to repair and make physical improvements to our correctional facilities for the safety and security of inmates and staff.

Thank you for the opportunity to present this testimony.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
March 11, 2015 at 11:00 am
by
David Lassner
President – University of Hawai'i

HB 500 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Nishimoto, and members of the committee:

Thank you for this opportunity to provide testimony on HB500, Relating to the State Budget, with the amendments proposed in Governor's Message No. 207.

The Board of Regents (BOR) sent a request to the Governor for additional general funds for operations in the amounts of \$35.5 million for FY16 and \$38.9 million for FY17 in order to provide funding to address shortfalls in utilities cost, federal compliance issues, including Title IX, intercollegiate athletics, enrollment growth at UH-West O'ahu, and UH's Research and Innovation Initiative.

The Executive Branch budget request submitted to the Legislature in December 2014 did not include any additional general funds in UH's budget, as that submittal was a "status quo" budget for the new Administration to build upon. Subsequently, Governor Ige has sent Governor's Messages to reflect his budget priorities, which provided for an additional \$7.5 million in general funds in each fiscal year in UOH900, Systemwide support.

This increase, while appreciated, is still substantially less than the BOR request to meet important needs. Should the Legislature be unable to support the full BOR request, we hope that the Legislature will also adopt this flexible approach so that UH and BOR can make decisions as to which priorities within our multiple campuses and programs will receive what portions of the additional appropriation.

With regard to the Capital Improvement Program (CIP) portion of our budget, the Governor's CIP recommendations include full funding for our Health, Safety, and Code Requirements needs (\$63.46 million) for Fiscal Biennium 2015-2017. However, we are concerned with the level of funding for our Capital Renewal and Deferred Maintenance (CRDM) program. The restoration of our facilities is a high priority for UH and we have developed a long-term plan to accomplish this. The CIP request made by the BOR to implement the first two years of this plan includes a total of over \$188 million for CRDM needs over the budget period, as well as funding for major renovations and needed new facilities. However, the Governor's CIP request includes only \$45.5 million for CRDM. We respectfully request that consideration be given to increase CIP funding in order to restore, maintain and improve our University facilities.

Thank you for your consideration and support of Hawai'i's only public institution of higher education.



HAWAI'I EDUCATIONAL POLICY CENTER

Issue Update: Early Education

Testimony by Jim Shon
Director, HEPC

Committee on Finance

DATE: Wednesday, March 11, 2015
TIME: 11:00 A.M.
PLACE: Conference Room 308

RE HB 500 RELATING TO THE STATE BUDGET

HEPC COMMENTS: To maintain current levels of early education enrollments, HMS 305 would require an additional \$6 million for the Preschool Open Doors program (POD). Even with this amount, many thousands of four-year olds remain without any preschool experience.

The following is a brief summary of Early Education enrollments and budgets.

Status Update on Early Education By The Numbers – March 5, 2015

There are an estimated 17,500 four year olds each year in Hawai'i. Approximately 7,000, or 40%, of four year olds do not attend any preschool. Specifically, - 43% on Oahu, 46% on Maui, 40% on Kauai, and 48% on the Big Island do not attend preschools. **An ambitious but achievable goal** might be 85% of four year olds attending some childcare or preschool program, or 14,800. (A certain % of families will choose not to send children to any preschool, regards affordability.)

Among those enrolled include the safety net Preschool Open Doors (POD) managed through a contract with PATCH: <http://www.patchhawaii.org/families/paying/preschool> serving over 1,200 families (up to 250% of poverty) who receive subsidies on a sliding fee scale based on family monthly gross income. An estimated 1,000 low income families are on the POD waiting list. There is also a small HIDEOE pilot preschool program serving 420 students. Head Start Programs also serve 114.

Basic Data

Number of licensed childcare or preschools:	627
Number of 17,500 4-year olds currently enrolled:	10,500
Average cost per month in private preschools:	\$800 (or \$9,600 per year)
Number of 17,500 4-year olds NOT enrolled:	7,000
HIDEOE Pilot:	420

PRESCHOOL OPEN DOORS

ACT 169 2013 POD children currently served:	1,287
Number of applications received:	2,208
Number of private programs that serve POD children:	254
Average POD award:	\$540/ mo
# & % Single Parents:	601 / 47%
4 year olds / 5 year olds in POD	691/ 596

BUDGET\$\$\$

Current FY 2014-15: http://www.capitol.hawaii.gov/session2014/worksheets/HB1700_HD1_SD1_CD1_Budget_Worksheets.pdf

- HIDOE Pilot: \$3 million (EDN 700) Serves 420 kids
- DHS POD \$7.6 million (HMS 305) Serves 1,287 kids

Next FY 2015-16 Possible budget <http://www.capitol.hawaii.gov/session2015/worksheets/HB500GMWorksheets.pdf>

- HIDOE Pilot: \$3 million (EDN 700) Serves 420 kids
- DHS POD \$1.6 million (HMS 305) NEEDs + \$6 to restore to current level
- Charter School Grant: \$2.07 million (will serve up to 360 children at up to 18 sites.)

ACT 169 2013 (Provided \$6 million for current year only.)

http://www.capitol.hawaii.gov/Archives/measure_indiv_Archives.aspx?billtype=SB&billnumber=1093&year=2013

For more policy briefs, studies, research and analysis please visit www.manoa.hawaii.edu/hepc



*For over 100 years,
preparing children for success*

2707 South King Street
Honolulu, Hawaii 96826

Phone: (808) 941-9414
Fax: (808) 946-1468

www.kcaapreschools.org

March 10, 2015

To: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
House Committee on Finance

From: Christina Cox, M.S. Ed., President
KCAA Preschools of Hawaii

KCAA Preschools of Hawaii is in strong support of an amendment to include \$6 million to restore funding for Preschool Open Doors in HMS 305.

KCAA Preschools of Hawaii was established in 1895 by the Woman's Board of Missions to serve the children of immigrant workers. We serve over 900 children per year in 7 NAEYC accredited preschools on Oahu. **More than 50% of our students are low-income and over 80% go on to attend DOE elementary schools. We manage tuition subsidies from 7 different sources, including Preschool Open Doors (POD), each with its own set of requirements.** We have an \$8 million annual operating budget with 130 employees.

We presently serve the following number of POD-subsidized children by area:

- Kailua-4
- Kalihi-13
- Moiliili-12
- Kakaako-10
- Kahala-5
- Hawaii Kai-1

Preschool Open Doors (POD) is a lifeline for many low and moderate income parents, enabling them to work or attend school while their child is in safe hands. Since the entry age for public school was changed last year another 5,000 children on average, require an additional year of preschool prior to entering kindergarten. Restoring the \$6 million in POD funding that was apparently unintentionally omitted from the Executive budget would help to ensure that at least 1,000 of those 5,000 children negatively impacted by the kindergarten entry age change would get the support they deserve to be prepared to enter kindergarten ready to succeed.

We respectfully request that your Committee approve an amendment to include \$6 million annually in the state's biennium budget to restore funding for Preschool Open Doors in HMS 305.

Please note that while I also serve as Liaison for the Childcare Business Coalition of Hawaii which represents more than 90 centers throughout the State I am testifying in full support of this measure today as the President of KCAA Preschools of Hawaii, a position that I have held for the past 14 years.

Thank you for the opportunity to testify

ATHERTON - KAILUA

KUAPA - HAWAII KAI

LAURA MORGAN - KAPALAMA HEIGHTS

MOTHER RICE - MOILIILI

MURIEL - KAKAAKO

NA LEI - KALIHI

WAI-KAHALA - KAHALA



DAVID IGE
GOVERNOR OF HAWAII

SHAN TSUTSUI
LIEUTENANT GOVERNOR



HAWAII INVASIVE SPECIES COUNCIL

1151 PUNCHBOWL ST, #325
HONOLULU, HAWAII 96813

VOTING MEMBERS

CARTY CHANG
DEPARTMENT OF LAND & NATURAL
RESOURCES

SCOTT ENRIGHT
HAWAII DEPARTMENT OF AGRICULTURE

VIRGINIA PRESSLER, MD
DEPARTMENT OF HEALTH

MARIA GALLO, PhD
UNIVERSITY OF HAWAII

LEO ASUNCION
OFFICE OF PLANNING, DEPARTMENT OF
BUSINESS, ECONOMIC DEVELOPMENT &
TOURISM

DAVID RODRIGUEZ
DEPARTMENT OF TRANSPORTATION

Testimony of the HAWAII INVASIVE SPECIES COUNCIL

Before the House Committee on
FINANCE

Wednesday, March 11, 2015

11:00 AM

State Capitol, Room 308

In consideration of
HOUSE BILL 500
RELATING TO THE STATE BUDGET

House Bill 500 requests appropriations for Fiscal Biennium 2015-17. The Hawaii Invasive Species Council (HISC) **supports portions of this measure pertaining to invasive species projects, and respectfully asks this Committee's favorable consideration on the insertion of the cost adjustments requested and submitted by the Administration via Governor's Message No. 207.**

Appropriation to the Hawaii Invasive Species Council

Governor's Message No. 207 would appropriate \$4,000,000 from the general revenues of the State of Hawaii for invasive species prevention, control, outreach, and research projects as directed by the HISC (page 59, Land and Natural Resources, LNR 402). The legislature created the HISC in 2003 as a tool for cabinet-level coordination on invasive species issues, and utilizes the HISC as a mechanism for supporting new and innovative research and implementation projects that complement existing core programs at HISC agencies. The HISC notes that funding for core invasive species programs within agencies (such as agricultural inspection staff, vector control workers, or invasive species removal within Natural Area Reserves) should remain a fiscal priority, with HISC funding utilized to fill gaps between agency mandates (such as incipient weed and animal control by the county-based Invasive Species Committees) or support new research and pilot programs (such as statewide ant control by the Hawaii Ant Lab, canine detection for ants, biocontrol, and herbicide efficacy research).

In Fiscal Year 2015, the legislature provided \$5,750,000 in general funds to the HISC for interagency projects. Of this sum, \$750,000 was provided in the base budget (under LNR 172, which has been corrected in Governor's Message 207 to accurately reflect LNR 402 as the administrative host of the HISC), and \$5,000,000 was provided by special appropriation (Act 102, SLH 2014). Governor's Message 207 would provide \$4,000,000 in general funds to the

HISC in FY16, under LNR 402. **The HISC supports this portion of Governor's Message No. 207.**

The HISC further notes that while the budget worksheets for LNR 402 in the original draft of House Bill 500 (page 15) do not include the general fund appropriation described in Governor's Message 207, the narrative found in Part III, Section 6 (page 41) describes a provision of \$4,000,000 from the special fund appropriation to LNR 402. Because there is no appropriation of special funds into LNR 402 in the amount of \$4,000,000, nor is there an appropriate special fund source at the Department of Land and Natural Resources to support the multi-sector, interagency projects implemented by the HISC, **the HISC suggests amending House Bill 500 Part III, Section 6 to reflect an appropriation from the general revenues of the State.**

Interdepartmental Transfer for Invasive Species Monitoring at Airports

Governor's Message No. 207 also includes an interdepartmental transfer of \$300,000 from the Department of Transportation to the Hawaii Invasive Species Council (page 63, Department of Land and Natural Resources, LNR 402) to implement an interagency invasive species monitoring project at airport facilities. This project will facilitate the detection of human disease vectors, agricultural pests, and environmental pests through a collaboration of HISC agencies including the Department of Land and Natural Resources, Department of Health, Department of Agriculture, and Department of Transportation, and the University of Hawaii. **The HISC supports this portion of Governor's Message No. 207.**

Restoration of Vector Control Positions at the Department of Health

Item 17 under the Health Program appropriations in Part II of House Bill 500 (page 19) would restore four vector control positions to the Hawaii Department of Health. Among other functions, Vector Control Workers monitor ports of entry for disease vectors, including mosquitoes. Mosquitoes are a non-native, invasive species in Hawai'i, and some species of mosquito have the ability to carry avian diseases (e.g. avian influenza) and/or human diseases (e.g. yellow fever, dengue fever, malaria). The Department of Health's Vector Control Branch was sharply reduced in recent years, causing the loss of these monitoring and prevention services. **The HISC supports this portion of House Bill 500.**

Transit-Oriented Development Planner at Department of Business, Economic Development, and Tourism

Governor's Message No. 207 also includes funding in FY16 for a Planner IV position at the Office of Planning with the Department of Business, Economic Development and Tourism (page 19). This position will focus on Transit-Oriented Development, which will assist with environmental impact analyses related to transit stations, including the potential for spreading invasive species through public transportation. **The HISC supports this portion of Governor's Message No. 207.**

The HISC appreciates the opportunity to provide these comments.



7370 Kuamo'o Road • Kapa'a • Hawaii • 96746 • 808-821-1490 • www.kauaiisc.org

Supporting H.B. 500 Relating to the State Budget
House Committee on Finance
Wednesday, March 11, 2015, 11:00AM, Room 308

The Kauai Invasive Species Committee (KISC) fully supports H.B. 500 providing funding to the Hawaii Invasive Species Councils through DLNR, DLNR Watershed programs, the Natural Areas Reserve program and funding to increase fencing efforts to protect high priority habitats. This support is based on the hope that the funding remains at current levels and does not suffer a 33% cut to HISC program.

The economy of Hawaii is largely based on tourism and to a lesser extent agriculture. Both of these industries are negatively impacted by underfunded management. Many tourists choose Hawaii as a destination based on its natural beauty and don't want to see watersheds draining muddy polluted streams or natural reserves overrun with invasive plants and animals. Landowners, ranchers and farmers spent considerable time and money controlling pasture and crop weeds. It is the role of government to provide general support for the greatest benefit to the public. Strategic investments in watershed health, invasive species management, tourist infrastructure and agricultural support create strong returns on tax dollars spent and provide multiple job opportunities for island residents.

The past year's funding allowed the Kauai Invasive Species Committee to reach full staffing for the first time in twelve years. KISC employs 11 staff and partners with multiple agencies, NGO's and volunteers. KISC has eradicated the coqui frog from Kauai and has an excellent opportunity to completely eradicate the little fire ant in cooperation with HDOA. The few mongoose that have been confirmed on Kauai were captured and we continue to monitor for these animals through trap-lines, game cameras and outreach. We are also partnered with DOD as we attempt to eradicate Long Thorn Kiawe from our west side beaches protecting tourists from three-inch spines that are sharp and strong enough to puncture radial tires. Miconia is declining and will likely be eradicated within the next decade. The list of damaging species is long and increasing, though we are winning some of these battles through consistent action and support. That is why it is imperative to at least provide the base programmatic funding and not cut 33% from HISC's budget.

Funding from state sources can leverage access to federal and private funding sources to keep up these efforts. It is imperative to maintain existing funding levels to avoid loss of ground and expensive failures. Imagine the Big Island today if the first coqui frog infestation had been controlled as intensely then as the Kauai infestation was in 2012? Last summer there were more than twice as many project requests for this funding then was available showcasing that the need is greater than the resources. We all realize that the resources will always be limited to combat these issues, but with consistent funding comes dedicated staff that uses experience and wisdom to invent solutions that can get the job done more efficiently. All the people protecting Hawaii's watersheds, economy and biodiversity through these programs are dedicated to serving the public's interest and should be consistently supported and encouraged by the legislature. Please restore the original funding level as proposed.

Sincerely,

Bill Lucey
Project Manager
Kauai Invasive Species Committee

MISSION STATEMENT: KISC is a voluntary partnership of government, private and non-profit organizations, and concerned individuals working to eliminate or control the most threatening invasive plant and animal species in order to preserve Kauai's native bio-diversity and minimize adverse ecological, economic and social impacts.



23 E. Kawili St, Hilo, HI 96720 • Phone: (808) 933-3340

To: House Finance Committee

RE: Support for HB500

Hearing on Wednesday, March 11, 2015, Room 308

I am writing to state BIISC's **support for HB500** and to urge the legislature to make the protection of our economy, environment, and way of life from invasive species a priority in our state by upholding the HISC's \$6 million budget request.

Invasive species are a serious concern for our natural areas, as well as agriculture, tourism, trade, and human health and well-being. Last year, to make up for previous cuts in funding, the amount allocated to the HISC increased to just shy of \$6 million. Although it is still far from the \$50 million recommended by a 2002 LRB study to address invasive species issues in Hawaii, the allocation has had critical positive impacts for our state and for our island. We are asking that the state maintain this level of funding so that we can sustain the momentum created by the ISCs and other partners in this fiscal year.

For BIISC, the direct impacts of that allocation included:

- building capacity through the **hiring of more than a dozen new employees and** interns, thus providing job training and career opportunities for members of our community. With additional staff, we were able to provide significant assistance in controlling invasives to many of our partners, including the watershed associations, DLNR, DHHL, HDOA and others.
- expanding **community outreach and empowerment efforts**, working closely with community associations, business owners, and the County on **coqui, albizia, and little fire ant control**.
- leveraging of outside funding, allowing us to receive **more than double funding from federal sources compared to the previous year**.
- an **increase in productivity in field operations by more than 300%**, an amplified benefit resulting from the initial investment by the state. This included the effective eradication of 2 plant species and rapid response to all confirmed sightings of the illegally introduced axis deer.

Like the management of personal health, which requires daily efforts like good diet and exercise, management of natural resources is an ongoing endeavor that is most effective when small measures are consistently performed. Maintaining a reliable level of funding from year to year supports strong and ambitious plans for protecting and conserving our natural areas. As in health care, preventative measures are significantly less expensive than delayed treatments. An investment in healthy foods or a good pair of running shoes is far less than the cost of a hospital stay, surgery, or medications; similarly, an investment in invasive species biosecurity and response programs will go far in ensuring that we stop the "next albizia" that threatens our environment, safety, and economic security.

Funding for watershed protection is estimated to have a 50:1 benefit:cost ratio, meaning that every dollar allocated provides benefits for the communities of Hawai'i far exceeding the expenditure. The dollars you allocate today are not "spent"; they are *invested* in a healthful future for our state.

Sincerely,

Springer Kaye, Manager



Testimony of the O'ahu Invasive Species Committee
Supporting H.B. 500 Relating to the State Budget
House Committee on Finance
Wednesday March 11, 2015 11:00 AM Room 308

The O'ahu Invasive Species Committee (OISC) supports H.B. 500 that would provide funding to DLNR's invasive and watershed programs. The funding from H.B. 500 will be critical to ensure that incipient invasive species can be quickly controlled and that established invasive species can be successfully managed. Watershed funding is critical to keep the State's fresh water sources healthy. We also support the following items that would ensure that the natural resources on which Hawai'i's economy depends are protected:

- DLNR's spending ceiling on the Natural Area Reserve Fund, that supports Watershed Partnerships, Forest Reserves, Natural Area Reserves and Youth Conservation Corps, should remain at \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; and
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) programs should **be increased to \$6,000,000 in general funds.**

The increased revenue for invasive species control will ensure that existing invasive species programs remain intact and that HISC will be able to respond whichever new economically damaging species arrive in the islands during the next fiscal year. The rapid response to coconut rhinoceros beetle—a pest of coconut trees and other economically important palms—was successful in part because the federal government assisted with staff and funds. However, not all pest incursions qualify for federal help. For most of them, it is up to us.

Invasive species programs must make progress on watershed destroying weeds like miconia while being ready to quickly eradicate newly introduced species. OISC has stopped the spread of miconia on O'ahu; since 2008 mature trees have declined to five or less each year over a 13,000 acre infestation area. However in the past five years, new species such as Cape ivy and devil weed that are known to disrupt ecosystem function have been discovered. OISC needs increased support to continue its successful miconia program and respond to new threats.

OISC works island-wide to remove incipient invasive species from O'ahu before they become so abundant that they begin to damage ecosystems. OISC employs 17 people that conduct early detection, systematically survey and remove incipient invasive plants, educate the public about how special Hawai'i's biota is and how to protect it and assist the Department of Agriculture to survey and control for vertebrates and invertebrates. We have benefitted from HISC funds for many years and we thank the Legislature for their continued support in the fight against invasive species. The state money OISC receives is highly leveraged with county and federal funds. Adequately funding the fight against invasive species so that state agencies and organizations like OISC can rapidly respond to new incursions will keep Hawai'i's unique biota intact for future generations and protect the natural resources that support Hawai'i's economy.

Thank you for your support.

Sincerely,
The O'ahu Invasive Species Committee

Representative Luke, Chair
Representative Nishimoto, Vice Chair
Members of the House of Representatives Finance Committee

Re: Testimony in Support of an amendment to HB 500, requesting restoration of \$6 million
for the proposed biennium budget-- Hearing March 11, 2015 at 11:00 am, Room 308

Dear Chair Luke, Vice Chair Nishimoto, Members of the House of Representatives Committee
on Finance:

My name is Robert G. Peters and I currently serve as the chair of the State Early Learning Advisory Board (ELAB) composed of 19 public and private members representing state departments, the early learning community, philanthropy, and the State university system. On behalf of the members of the ELAB, I urge you to support an amendment to HB 500 (Relating to the State Budget) to restore \$6 million for the Pre-school Open Doors (POD) program operated by the Hawaii Department of Human Services. Restoration of the funding at last year's level is the goal. This program has been in existence since 1990 and has provided a valuable lifeline for hundreds of families every year throughout the state.

POD provides critical subsidies for income-eligible families sending their children to a licensed preschool during the school year prior to kindergarten entry. Given that we know that child care is generally the second largest expense in family budgets after rent and mortgage (PATCH), these subsidies broaden access and opportunity to families in need. POD allows low-income children and families in our Islands to afford childcare so that parents can work or pursue higher education. At present, nearly half of the children served are from single-parent households.

The goal of POD is to promote school readiness for children, and the program focuses on meeting the needs of the child. During the current year, almost 1300 children are being served by the program while another 900 remain on the waiting list. If the \$6 million is not restored for the 2015-16 year to operate POD, over 1,000 children will be denied the chance to be school-ready when entering kindergarten. This will be most seriously felt among the underserved and at-risk children of our State. And, the need for this critical safety net program is clear given the 54% increase in POD applications this past year.

We appreciate that you are all well-aware of the school readiness advantage of those who benefit from POD and, therefore, urge you to amend HB 500 to include the \$6 million for Preschool Open Doors. Thank you for the opportunity to offer testimony.

Sincerely,
Robert G. Peters, EdD
Early Learning Advisory Board, Chair

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 9:39 AM
To: FINTestimony
Cc: alohagirl777@hotmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ailina Tagupa-Laborte	Maui County Office on Aging	Support	No

Comments: Maui County Office on Aging (MCOA) is in strong support of HB500. MCOA advocates in support of the Department of Health, Executive Office on Aging, in regards to the Kupuna Care and Aging and Disability Resource Center funding. We are supporting a total of \$9,000,000 in Kupuna Care funding and a total of \$2,926,000 in ADRC funding. We have recently received supplemental Kupuna Care funds although the year is three quarters over. Not receiving all of the necessary funding until the year is almost over negatively impacts consistent service provisions. Having the funding included in the base budget and released on July 1st, allows for adequate planning and improves the quality of service provisions.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



TO: House Committee on Finance

FROM: Mauna Kea Watershed Alliance Coordinator, Cheyenne Perry

RE: Supporting H.B. 500 Relating to the State Budget

I am writing to urge the legislature to make protection of our forests and watersheds a top priority in our state. As we move into an era of increasing drought and continued impacts from climate change, it is more critical than ever that we ensure that these resources will exist and be plentiful for the generations to come.

2014 marked the publication of the National Climate Assessment by the U.S. Global Change Research Program, a report compiled with input from over 300 experts from 13 government agencies, including NOAA, NASA, and the National Academy of Science. It made this statement about our state: "In Hawai'i, average precipitation, average stream discharge, and stream baseflow have been trending downward for nearly a century, especially in recent decades...increased temperatures coupled with decreased rainfall and increased drought will reduce the amount of freshwater available for drinking and crop irrigation."

Coupled with expected population growth, the stress on our freshwater supplies makes clear the need for strategic management and a strong commitment to protection of our watersheds. Effective management includes the aggressive control of invasive animals and plants, which have been shown in study after study to negatively impact our watersheds' ability to collect, absorb, filter, and store our fresh water.

Watershed funding is estimated to have a 50:1 benefit:cost ratio, meaning that every dollar allocated to watershed funding provides benefits for the communities of Hawai'i far exceeding the expenditure.

We know that:

1. In east Hawaii alone, 85 million gallons of groundwater recharge a day are lost daily, due to disruption of the ecosystem by non-native plants;
2. Only 10% of the area identified as “priority” watersheds in the state are currently protected;
3. Soil runoff from degraded forests degrades our coastlines, smothering coral reefs and destroying habitat for economically important fish species and tarnishing the iconic coastal scenery upon which our tourism industry depends;
4. Ensuring a food-secure future for Hawai‘i requires the availability of plentiful freshwater for our farmers and communities.

It is no coincidence that the Hawaiian word for “wealth” is waiwai: the ancestral and current stewards of these islands recognize the value of fresh water. For over a century land managers have recognized the close relationship between healthy upland forests and water supplies. We humbly request that:

1. DLNR’s spending ceiling on the Natural Area Reserve Fund remain at \$12,934,000;
2. DLNR’s request for \$1,000,000 in capital improvement program (CIP) funds be approved to support watershed fencing projects; and
3. Ask that DLNR’s request for \$4,000,000 for Hawai‘i Invasive Species Council (HISC) programs are increased to \$6,000,000 in general funds.

We ask for your support in continuing the tradition of protecting Hawaii’s most precious natural resource.

Mahalo,



Cheyenne Hiapo Perry
Mauna Kea Watershed Alliance Coordinator
160 Baker Avenue, Hilo, HI 96720
mobile: (808) 937-5170
office: (808) 933-0622



Kaua`i Watershed Alliance

Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools, Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

"The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the concerted efforts of its members."

The Testimony of the Kauai Watershed Alliance Supporting H.B. 500 Relating to the State Budget House Committee on Finance Wednesday, March 11, 2015, 11:00AM, Room 308

The Kauai Watershed Alliance (KWA) supports the FY16 State Budget bill (HB500). The KWA specifically supports the funding included for DLNR watershed and invasive species programs:

- DLNR's spending ceiling on the Natural Area Reserve Fund* remain at \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; and
- Ask that DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) programs be increased to \$6,000,000 in general funds.

The KWA recognizes the necessity of natural resource stewardship and protection of our native forests and rare plants and animals that rely on the health of these forests. The KWA also understands that the source of our pure water is a system of healthy mauka forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

The KWA is committed to watershed protection recognizes the DLNR as a very important partner. Again the membership strongly supports this Bill and its support for natural resource protection.

Thank you for your support.

Sincerely,

Chipper Wichman, Past Chair



PARTNERS IN CARE

Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY IN SUPPORT OF HB 500: RELATING TO THE STATE BUDGET

- **BED 160, sequence 210-001: Rental Housing Trust Fund,** page 100 of 683.

TO: Representative Sylvia Luke, Chair, Representative Scott Y. Nishimoto, Vice Chair, and Members Committee on Finance

FROM: Betty Lou Larson, Advocacy Committee, Partners in Care

Hearing: **Wednesday, March 11, 2015; 11:00 AM; Conference Room 308**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support for \$100 million in funding for the Rental Housing Trust Fund** (HB500, as amended by Governor's Message 207). I am Betty Lou Larson from the Advocacy Committee of Partners in Care.

Partners in Care's members as well as ordinary people across the state see the dire impact that the extreme lack of affordable housing has on the people of Hawai'i. Last year PIC circulated a petition to support funding for affordable rental housing. Many people spontaneously wrote comments, which show the depth of feeling and support throughout Hawaii for affordable housing:

- *"I have lived in Hawaii all my life, and I will never be able to even rent a decent housing unit; this makes me sad."*
- *"I work a full-time job at \$10 an hour. My rent is \$1275. If I had to pay my rent by myself I would not be able to afford it along with my utilities. Please help us here in Hawaii."*
- *"My grandchildren had to move to the Mainland because Section 8 closed due to a 5 year waitlist. I am so sad and not sure when I'll ever see them again."*
- *"When I see a person without a home I think: Where's the Aloha Hawaii? Where is the empathy? How can we allow children to live on beaches and on the streets? How can we allow our Veterans to be Homeless?.... I couldn't imagine being forced to live my life out in the public, can you? So I vote Yes!"*

Partners in Care **strongly supports \$100 million** to fund the Rental Housing Trust Fund (RHTF). The dire need for housing demands action now. The 2014 Housing Study, just released, finds that 27,224 rental units are needed by 2020 for households at 80% of AMI. For households at/under 60% of AMI, about **50% more units are needed now than in the 2011 study** (20,215 units vs 13,000 units in 2011). Hawaii has the second highest rate of homelessness in the USA. *Out of Reach 2014:* reported that Hawaii topped the list of most expensive states for housing. A full time worker would need to make \$31.54/hour to afford a two-bedroom unit at fair market rent. Yet the median wage of a renter in Hawaii is just \$13.86. 78% of extremely low income households living in poverty pay more than half their income for rent. The RHTF has a proven record of creating new affordable rental units across the State of Hawai'i. This funding is critical to produce new rental housing since without it, housing projects are not financially feasible. It is the only fund that mandates units for people at 30% AMI.

Thank you for responding to the housing needs of the people of Hawaii. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



**TESTIMONY IN SUPPORT OF HB 500: Relating to the State Budget
BED 160, sequence 210-001: Rental Housing Trust Fund, page 100 of 683**

TO: Representative Sylvia Luke, Chair; Representative Scott Nishimoto, Vice Chair; and
Members of House Finance Committee

FROM: Sheila Beckham, CEO & Jason Espero, Director of Care-A-Van

Hearing: **Wednesday, March 11, 2015, 11:00 am, Conference Room 308**

Thank you for the opportunity to provide testimony in **strong support** of funding the Rental Housing Trust Fund in the amount of \$100 million.

Waikiki Health (WH) is a 501(c) (3) nonprofit organization with a mission to provide quality medical and social services that are affordable and accessible for everyone, regardless of ability to pay. WH was established in 1967, and was recognized as a federally qualified health center in 1992. For nearly 30 years, Care-A-Van program has served homeless individuals and families, including those at risk of being homeless.

Housing is healthcare and a human basic need. Evidence shows that when a homeless person is placed into housing their health improves. A person housed either reduces his/her daily consumption on drug and/or alcohol or in some cases abstains from drugs and alcohol completely. A person housed has a better chance at taking his/her prescription medication, thus improves his/her mental and/or physical health. A person housed can start working on the issues that caused him/her to become homeless versus figuring out where he/she will sleep that night.

Appropriating \$100 million to the Rental Housing Trust Fund will help to increase the inventory of affordable housing units in our State, which gives homeless individuals, low-income singles and couples, elderly, and small families the opportunity to live in an affordable rental, thus improving their quality of life.

Thank you for your time and consideration.

Please contact me at (808) 791-9351 or jespero@waikikihealth.org if you have any questions.

Sincerely,

Jason Espero, MPA
Director of Care-A-Van

Sheila Beckham, RD, MPH
CEO



Board of Directors

Sherry Broder, Esq.
David Derauf, M.D.
Naomi C. Fujimoto, Esq.
Patrick Gardner, Esq.
John H. Johnson
Nathan Nelson, Esq.
David J. Reber, Esq.
Mike Webb

Executive Director

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting House Bill 500 Relating to the State Budget
House Committee on Finance
Scheduled for Hearing Wednesday, March 11, 2015, 11:00 AM, Room 308

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit law firm created to advocate on behalf of low income individuals and families in Hawai'i on issues of statewide importance. Our core mission is to help our clients access to the resources, services, and fair treatment they need to realize their opportunities for self-achievement and economic security.

Thank you for an opportunity to testify in **strong support** of House Bill 500's appropriation for the Housing First program, as well as the \$100 million appropriation for the Rental Housing Trust Fund contained in Governor's Message 207. Hawai'i Appleseed also respectfully urges the Committee to reduce the cuts to funding for Medicaid coverage for non-US citizens so that these lawfully present Hawai'i residents can afford adequate health care.

Housing First (HMS 224, Sequence No. 210-01): Hawai'i Appleseed strongly supports \$3 million in funding for Housing First programs. Housing First immediately places chronically homeless people into permanent housing without preconditions, while still providing them with wraparound supportive services. The program has been highly successful both in Honolulu and around the country, with studies from other jurisdictions indicating that it consistently results in substantial public cost savings. Housing First is *the* way to end chronic homelessness. Since Housing First is based on permanent, stable housing, continued funding is critical, and the proposed increase in funds to \$3 million will allow this successful program to expand to the neighbor islands.

Rental Housing Trust Fund (BED 160, Sequence No. 210-001): Hawai'i's affordable housing crisis is painfully apparent, and the private market is not meeting the state's biggest housing need—affordable rentals. The Rental Housing Trust Fund is a major tool to create rentals and has resulted in the development of more than 5,000 affordable units that otherwise would not have been financially viable. The RHTF also creates public-private partnerships that function as economic drivers. Moreover, the RHTF helps extremely low-income residents: 5 percent of units in RHTF-subsidized developments must be affordable to households earning less than 30 percent of the area median income. We greatly appreciate the Legislature's decision this past session to restore the percent of the conveyance tax going to the Rental Housing Trust Fund, but we know that we still need far more rental housing than is currently being created. The state must take additional action to address our affordable housing crisis, and this \$100 million will be a substantial step.

Funds for Medicaid Coverage for Non-United States Citizens (HMS 401, Sequence No. 210-001): We respectfully urge the Committee to reduce this reduction in funds to cover premium and copay costs for non-US citizens who were transferred on March 1, 2015 from Medicaid to private health care plans

via the Health Connector. This a highly vulnerable population who simply cannot afford to pay their premiums and subsidies. While adults earning less than 100 percent of the federal poverty guidelines will receive a state subsidy for their premiums, those at 100 to 138 percent of poverty will only receive a federal subsidy. None of this population, regardless of their income, will receive any assistance with copays for doctors' visits or prescriptions. Without additional subsidies, the health consequences of this transition will be dire. People with serious and chronic conditions such as cancer, diabetes, and heart disease will not be able to afford copayments for the treatment needed to manage their health—and many will die as a result.

We respectfully ask that the Committee reduce the \$23 million cut to Medicaid funds for non-US citizens by \$7 million or however much is necessary to provide subsidies to fully cover any premiums and copays for these individuals who would be eligible for Medicaid but for their citizenship status. The state is already realizing substantial savings from this transfer, but we will face significant long-term costs due to the lack of adequate medical care if we do not provide additional subsidies.

As a community, we must make a commitment to caring for our working families and vulnerable populations by meeting basic needs such as housing and health care. Thank you for your concern about these critical issues. We strongly encourage you to support HB 500, as amended by Governor's Message 207, including appropriations for affordable housing and Housing First, and to make an addition to health care funding for non-US Citizens.



Community Alliance Partners of Hawaii Island

A coalition of Hawaii Island's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY IN SUPPORT OF HB 500: RELATING TO THE STATE BUDGET Department of Human Services – Housing First

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members Committee on Finance

FROM: Rita Sandi-Palma, Chair, Community Alliance Partners of Hawaii Island

Hearing: Wednesday, March 11, 2015; 11:00 AM; Conference Room 308

Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support of funding for Housing First, in the budget of the Department of Human Services.** I am Rita Sandi-Palma, Chair, Community Alliance Partners of Hawaii Island (CAP). **Community Alliance Partners of Hawaii Island strongly supports \$3 million** to continue this successful evidence based program and to expand it to the Neighbor Islands. We respectfully urge you to include this funding to the **base budget of DHS.**

Because funding is not currently in the base budget, the sustainability of housing for individuals in the program (40 households as of 1/28/15) is at risk. Real people could be impacted without sustained funding, i.e. people like “Wanda” and her daughter. Success stories like Wanda’s demonstrate that Housing First can change lives and can successfully transition the chronically homeless into permanent housing.

Wanda is a 41 year old single mother with a 15 year old daughter. This family had been homeless for 6 years, living unsheltered on the streets. Wanda has a serious mental illness, and was self-medicating with drugs and alcohol. Her daughter was not attending school and was helping to care for her mother. Wanda and her daughter are now stably housed. The daughter is attending classes again, and the case manager is working with Wanda to take medication more regularly. **Housing First** has enabled the daughter to again be a teenager and get her life back on track as well as helping Wanda to stabilize and be successful in permanent housing.

People in every community in Hawaii are concerned about homelessness. Last year a petition was circulated about affordable housing rendering many comments about the need to solve homelessness. Two poignant comments show what people in the community feel about homelessness and urge you to solve this crisis:

“When I see a person without a home I think: Where’s the Aloha Hawaii? Where is the empathy? How can we allow children to live on beaches and on the streets? How can we allow our Veterans to be Homeless? I know some folks need mental health services so let’s get them help. I couldn’t imagine being forced to live my life



Community Alliance Partners of Hawaii Island

A coalition of Hawaii Island's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

out in the public, can you? So I vote Yes! Please do all you can to End homelessness in Hawaii and hopefully every state will follow us."

"Malama our Island Ohana! Support the cause, and put a roof over homelessness."

Mahalo nui loa for your kind consideration. Please contact me at rpalma111@yahoo.com or (808) 934-7852 with questions.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 10:24 AM
To: FINTestimony
Cc: bmurph@hawaii.rr.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

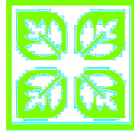
Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Murph	Catholic Charities Hawaii, Hawaii Island	Support	No

Comments: Thank you for the opportunity to provide testimony in strong support of funding for Housing First, in the budget of the Department of Human Services. I am Elizabeth Naholowaa Murph, Hawaii Island Community Director for Catholic Charities Hawaii. I strongly support \$3 million to continue this successful evidence-based program and to expand it to the Neighbor Islands. We respectfully urge you to include this funding to the base budget of DHS. Because funding is not currently in the base budget, the sustainability of housing for individuals in the program (40 households as of 1/28/15) is at risk. Mahalo nui loa for your thoughtful consideration.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY IN SUPPORT OF HB 500: RELATING TO THE STATE BUDGET

- **BED 160, sequence 210-001: Rental Housing Trust Fund,** page 100 of 683.

TO: Representative Sylvia Luke, Chair, Representative Scott Y. Nishimoto, Vice Chair, and Members Committee on Finance

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawai'i

Hearing: Wednesday, March 11, 2015; 11:00 AM; Conference Room 308

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support for \$100 million in funding for the Rental Housing Trust Fund** (HB500, as amended by Governor's Message 207).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable people in Hawai'i. Catholic Charities Hawai'i has a long history of working on housing issues and helping to end homelessness and change lives.

Catholic Charities Hawaii strongly supports **\$100 million for the Rental Housing Trust Fund (RHTF)**. Over the years, we have seen many of our clients move into projects funded by the RHTF. This has stabilized their health and families and given them hope for the future. Funding for the Trust Fund is critical to produce new rental housing since without it, development of affordable rental housing projects are not financially feasible. It is the only fund that mandates units for people at 30% AMI. These are people at very high risk of homelessness. It has a proven track record of creating affordable rental housing via public-private partnerships that leverage other resources to create more units.

Out of Reach 2014: reported that **Hawaii topped the list of most expensive states**. A full time worker would need to make \$31.54/hour to afford a two-bedroom unit at fair market rent. Yet the median wage of a renter in Hawaii is just \$13.86. **78 percent of extremely low income households are paying more than half of their income in rent,** and almost half of all households do not live in affordable housing. The situation is desperate; we need to take action NOW to create hundreds of units of affordable rentals.

Allocating funding to the Rental Housing Trust Fund is an effective and efficient way for the State to promote the development of rentals, in public-private partnerships. It can also maximize the use of state lands along the transit route, and address multiple State priorities.

Thank you for the opportunity to testify. Please contact me at (808) 527-4810 or trisha.kajimura@catholiccharitieshawaii.org if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 527-4810 • trisha.kajimura@catholiccharitieshawaii.org



841 Bishop St., Suite 301
Honolulu, Hawaii 96813



Telephone: 808 926-1530
Contact@HEECoalition.org

Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice Chair

March 11, 2015

Dear Chair Luke, Vice Chair Nishimoto, and Committee Members,

This testimony is submitted in support for the Hawaii Board of Education Budget Request for the Fiscal Biennium 2015-2017 as it applies to the State Budget, HB500.

Hui for Excellence in Education, or "HE'E," is a statewide coalition of diverse stakeholders committed to working collaboratively to identify opportunities to improve public education in Hawaii. HE'E seeks to be the focal point for community and parent engagement while serving as a public resource for educational policy. The Coalition currently has over 40 members. Our member list is attached.

The Coalition supports the Hawaii Board of Education's budget request for Fiscal Biennium 2015-2017. We support the additional investment in operating and capital improvement funds to assist at the school level. As reflected by the continuing positive The National Assessment of Educational Progress (NAEP) scores for Hawaii schools, the improvement in student readiness indicators including increasing graduation rates, AP exam participants and dual enrollment, decreasing remediation at the University of Hawaii, as well as the recent praise received by the US Department of Education on the Elementary and Secondary Education Act (ESEA) Waiver Monitoring Report, school transformation is progressing and moving in the right direction. Therefore, we want to continue providing adequate resources to schools to continue the positive trajectory.

In addition, we also support the restoration of \$6 million in the HB500 Biennium Budget for the Preschool Open Doors Program. Having a strong foundation in school readiness not only gives children the advantage to transitioning to the K-12 system, but also can have lasting effects to positive outcomes over the span of a child's lifetime. The Coalition has particularly been concerned about the late-born four year olds, who have not been able to attend public Kindergarten from the 2014-2015 year. We like the fact that Preschool Open Doors prioritizes late born four-year olds as well underserved and at-risk children.

Thank you for the opportunity to testify and for your consideration. Our support of this bill represents a 75% consensus or more of our membership.

Sincerely,

Cheri Nakamura
HE'E Coalition Director

Academy 21
After-School All-Stars Hawaii
Alliance for Place Based Learning
*Castle Complex Community Council
*Castle-Kahuku Principal and CAS
Center for Civic Education
Coalition for Children with Special Needs
*Faith Action for Community Equity
Fresh Leadership LLC
Girl Scouts Hawaii
*Good Beginnings Alliance
Harold K.L. Castle Foundation
*Hawaii Appleseed Center for Law and Economic Justice
Hawai'i Athletic League of Scholars
*Hawai'i Charter School Network
*Hawai'i Nutrition and Physical Activity Coalition
*Hawaii State PTSA
Hawai'i State Student Council
Hawai'i State Teachers Association
Hawai'i P-20
Hawai'i 3Rs
Head Start Collaboration Office
It's All About Kids
*INPEACE
Joint Venture Education Forum
Junior Achievement of Hawaii
*Kaho'omiki
Kamehameha Schools
Kanu Hawai'i
*Kaua'i Ho'okele Council
Keiki to Career Kaua'i
Kupu A'e
*Leaders for the Next Generation
Learning First
McREL's Pacific Center for Changing the Odds
Our Public School
*Pacific Resources for Education and Learning
*Parents and Children Together

*Parents for Public Schools Hawai'i

Punahou School PUEO Program

Teach for America

The Learning Coalition

US PACOM

University of Hawai'i College of Education

YMCA of Honolulu

Voting Members () Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*



Community Health Outreach Work

677 Ala Moana Blvd., Suite 226
Honolulu, HI 96813
Phone (808) 853-3292 • Fax (808) 853-3274

TESTIMONY IN SUPPORT OF HB 500: HOUSING FIRST AND RHTF FUNDING

TO: Rep. Sylvia Luke, Chair and Rep. Rep. Scott Y. Nishimoto, Vice Chair

FROM: Heather Lusk, Executive Director, CHOW Project

Hearing: Wednesday, March 11, 2015 Room 308, 11:00 AM

Dear Chair Luke, Vice Chair Nishimoto and Members of the Committee:

Thank you for the opportunity to provide testimony **in strong support** of HB 500, appropriating funding for a variety of critical programs targeted at addressing the affordable housing crisis and ending homelessness.

For over 20 years the CHOW Project has been working improve the lives of men women and families experiencing homelessness who also may be touched by addiction. The CHOW Project is dedicated to serving individuals, families, and communities adversely affected by drug use, through a participant-centered harm reduction approach. CHOW works to reduce drug related harms such as but not limited to HIV, hepatitis B/C and overdose. As a nonprofit organization that provides services for the homeless, we have seen firsthand how the new housing first approach is effective when working with our population.

CHOW has been involved in the original implementation of Housing First and we have had several participants of our program be housed under the current Housing First program and the change in their lives has been remarkable. For example, one of our participants has been on the streets for over a decade and in the throes of chaotic addiction for even longer. After housing her through the Housing First program, she now has the stability to address her substance use and is healthier than she has been in a long time.

Thank you for considering this bill – it will save lives.

Sincerely,

Heather Lusk

Executive Director

CHOW Project



Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members of the House Committee on Finance

From: Douglas Mersberg, Executive Director

Re: Testimony related to HB 500, Relating to the State Budget: In Support of Restoring
\$6 Million for the Preschool Open Doors program to HMS 305

Hearing

Date: March 11, 2015

Time: 11:00 AM

Place: Conference Room 308

Wai'anae Coast Early Childhood Services has been providing preschool services on the Wai'anae Coast since 1973. 94% of our families receive some form of tuition subsidy in order to afford our services, including from the Preschool Open Doors program.

Wai'anae coast elementary school principals maintain that many of the children that enter their kindergarten classrooms are two years behind in their school readiness skills. Their schools' test scores confirm this assertion. Longitudinal studies show that quality preschool services have a positive impact on school success for low-income children. There are hundreds of children in our community who are unable to access preschool services.

This program is critical to children that will not be served due to the change in the kindergarten entry age. There are currently 1,300 children being served and over 900 are on the waiting list. Minimally the funding should be restored and more funding should be sought to serve the actual need, established by the waiting list.

Our organization is in full support of restoring \$6 million in childcare subsidies to the Preschool Open Doors program, which is HMS 305 of HB500. This is based upon our capacity to serve more children, the school readiness needs of children in our community, and the benefits that programs like ours can provide.



CHILDCARE BUSINESS COALITION

Committed to Quality Education

March 10, 2015

The Cole Academy

The Hawai'i Baptist
Early Education
Association

KCAA Preschools
of Hawai'i

Kama'aina Kids

PACT
Parents & Children
Together

Rainbow Schools

Seagull Schools

Waianae Coast Early
Childhood Services

Waikiki Community
Center

Liaison:
Christina Cox
2707 So. King St.
Honolulu, HI
96826
(808) 941-9415
ccox@kcaapreschools.org

To: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
House Committee on Finance

From: Christina Cox, Liaison, Childcare Business Coalition

Subject: HB 500

The Childcare Business Coalition is in strong support of an amendment to include \$6 million to restore funding for Preschool Open Doors in HMS 305.

In existence since 1997, the Childcare Business Coalition's (CBC) mission is to promote quality center-based programs which are accessible to all families with young children ages six weeks to 6 years of age and to promote public policies which support that effort. We serve more than 5,000 children daily at more than 90 centers on four islands. The majority of our programs are nationally accredited and serve low/middle income families. Collectively we provide more than \$300,000 in tuition assistance to qualifying families every year to supplement the various statewide public and private subsidy programs which are unable to meet on-going demand. Many of us hold fundraisers and/or write grants to local trusts and foundations to support our in-house tuition aid programs. **We presently serve more than 200 Preschool Open Doors children.**

Research has repeatedly shown that children who participate in a quality school readiness program prior to entering kindergarten have greater success in school and in life.

Preschool Open Doors (POD) is a lifeline for many low and moderate income parents. Since the entry age for public school was changed last year another 5,000 children on average, require an additional year of preschool prior to entering kindergarten.

Prior to SFY 2014 POD served an average 315-320 children with a base budget of \$1.6 million. This year, thankfully the \$6 million expansion funds enabled the program to serve up to an additional 1,050 eligible children who are preparing to enter kindergarten the next Fall. It would be a tragedy to let an administrative oversight which apparently led to the unintentional omission of that additional \$6 million in funding, leave nearly 1,000 children who were adversely impacted by the change in kindergarten entry age, without that critical year of school readiness prior to kindergarten entry.

We respectfully request that your Committee approve an amendment to include \$6 million annually in the state's biennium budget to restore funding for Preschool Open Doors in HMS 305. Thank you for the opportunity to testify.

Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 500 Relating to the State Budget
House Committee on Finance
Wednesday, March 11, 2015, 11:00AM, Room 308

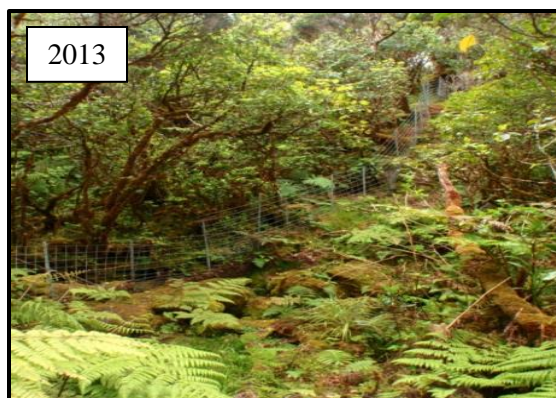
For more than 35 years, The Nature Conservancy of Hawai'i has been working closely with government agencies, local businesses, private landowners, non-profit partners, and interested communities across the state to preserve the lands and waters upon which all life in these islands depends. The Conservancy is a private non-profit conservation organization that has helped to protect nearly 200,000 acres of natural lands in Hawai'i. Today, we actively manage more than 35,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i, and support 19 coastal communities seeking to co-manage marine resources in partnership with the State of Hawai'i.

The Nature Conservancy supports H.B. 500, especially funding for:

- **WATERSHEDS (DLNR):** Authorize \$12.934M spending ceiling for Natural Area Reserve Fund (LNR407) and \$1.0M CIP funds for **watershed protection** and management.
- **INVASIVE SPECIES (DLNR):** Increase the \$4M general fund request (LNR402) to \$6M for the programs of the **Hawai'i Invasive Species Council**.
- **DLNR Community-Based Marine Management:** Funding for a community-based subsistence fishing area planner and marine regulation and policy specialist (LNR 153), and a makai watch coordinator (LNR 405) to support community-based co-management of marine resources.
- **DLNR ENFORCEMENT:** Funding for the Division of Conservation and Resources Enforcement (LNR405) to operate permanent **community fisheries enforcement units** on four islands.
- **STATE SUSTAINABILITY COORDINATOR (DLNR):** Funding for the State Sustainability Coordinator position to help link resilience and self-sufficiency initiatives across State agencies.

We support these budget items that we believe contribute to the resilience, sustainability and continued health of our islands' environment, economy, and quality of life. We especially note the DLNR's watershed management, invasive species and aquatic resources programs, which help to ensure that all of us can survive and thrive in the middle of the Pacific Ocean. Healthy Hawaiian forests that are not overrun by invasive species act like a sponge, slowly delivering fresh water into streams and aquifers, absorbing greenhouse gases, and reducing runoff and siltation into near shore waters during storm events. Healthy reefs that are not over-harvested or choked by alien algae or sedimentation provide protection from storms and contribute to overall food security.

Thank you for appreciating the critical importance of protecting the health and, most importantly, the function of our limited and exhaustible natural resources that allow our very survival in these islands.



Before-After
Fencing,
Animal and
Weed
Control
Alaka'i
Watershed,
Kaua'i



March 11, 2015

House Committee on Finance
Representative Sylvia Luke, Chair

Re: **HB 500, RELATING TO THE STATE BUDGET**

Chair Luke, Vice Chair Nishimoto and members of the committee:

AARP is a membership organization of people fifty and over with nearly 150,000 members in Hawaii alone. AARP advocates for issues that matter to Hawaii families, including the high cost of long-term care; access to affordable, quality health care for all generations; providing the tools needed to save for retirement; and serving as a reliable information source on issues critical to people over the age of fifty.

AARP Hawaii submits comments on HB 500, Relating to the State Budget.

We are submitting this testimony with respect to the funding for the Executive Office on Aging ("EOA"), program ID number HTH 904. A copy of that portion of the budget containing the appropriation for EOA is attached to this testimony.

Specifically we are writing in support of that portion of the EOA budget that provides funding for the Kupuna Care program and respectfully make two requests related to it:

- (1) That the supplemental budget amount provided for in Part I, Section 2 of SB 964¹, Relating to Aging, which provides supplemental funding for the Kupuna Care program, be incorporated into Kupuna Care's base budget as part of EOA's budget in HB 500; and
- (2) That this same amount be increased from the \$4,145,696 each for fiscal year 2015-2016 and fiscal year 2016-2017 contained in SB 964, SD 2 to the \$5,100,000 each for those same two fiscal years as contained in the original draft of SB 964.

This would bring the total base budget for Kupuna Care to \$9.9 million for Fiscal Year 2015-2016 and \$9.9 million for Fiscal Year 2016-2017.

¹ The House companion bill was HB 497. It is our understanding that this committee chose not to proceed with that bill when it learned that SB 964 would likely cross over from the Senate.

Our explanations for these requests are contained herein.

We suggest a 10% increase in funding to be folded into the base budget

Since 2002 the base funding for Kupuna Care has stayed flat at approximately \$4.8 million while demand for long-term care services continued to grow. In past years, the legislature has added additional supplemental appropriations. Since 2012 these supplemental appropriations have been approximately \$4.2 million per year. As a result, funding for Kupuna Care for the past two to three years has remained at approximately \$9 million per year, through a mix of base budget and supplemental appropriations. In other words, biennium budgeting for the Kupuna Care in recent years has looked like this:

Past Biennium Budgeting for Kupuna Care

	Year 1	Year 2
Base Budget	\$4.8 million	\$4.8 million
Additional Supplemental One-Time Appropriations	\$4.2 million	\$4.2 million
Total	\$9 million	\$9 million

We recommend that the additional funding that has been given to Kupuna Care in recent years be increased from \$4.2 million to \$5.1 million and that amount be added to the Kupuna Care program's base budget in the EOA's budget. If adopted, this would change biennium budgeting for the Kupuna Care program to look like this:

Recommended Biennium Budgeting for Kupuna Care

	Year 1	Year 2
Base Budget	\$9.9 million	\$9.9 million

That would result in a modest 10% increase in overall funding for the program. Importantly, by shifting the additional monies from supplemental appropriations and into the base budget it would also provide for more stability and reliability in the program.

Adding the funds to the base budget will increase efficiencies

In order for the state and the Area Agencies on Aging ("AAAs") to most effectively manage public funds and serve older adults, they must be able to plan accordingly. Having the funds as a secured budget amount in the base budget will allow the state and the AAAs to do better advance planning, which in turn will allow them to enter into contracts for services and supports that will better serve both the agencies themselves as well as the senior they are serving.

The need will only increase as the senior population continues to grow

From 2002 until now, however, the number of seniors ages 60 and over increased in Hawaii by approximately 70,000. Additionally, the population that the Kupuna Care program must serve has grown still larger since legislation enacted last year expanded eligibility for Kupuna Care to Medicaid recipients.

This program needs more resources to be as effective as it can be in helping Hawaii's rapidly growing population of seniors lead independent, meaningful, and dignified lives in their own homes and communities. Over a thirty-year period (1980-2010), the population of people ages 60 and over increased by approximately 139.8% while the total population increased by only 34.2%.² The population of residents ages 85 and over increased by 431.5% in that same thirty-year period.³

The additional funding we are requesting could serve hundreds of additional seniors beyond those who would be served with EOA's existing funding request

According to the Hawaii State Plan on Aging, there were 277,400 people in the 60 and over age bracket in 2010. The projection is that there will be 373,650 people in that same age bracket in 2020. That's an increase of 146,250 people. Keeping funding flat in light of that increase makes us fear that services provided under the program will not reach as many seniors as they should as that population continues to grow.

The Executive Office on Aging noted on its factsheet⁴ that the \$4.1 million it has requested would support either:

- 493 people, where those people are the most frail and vulnerable with three or more ADL dependencies and eligible for nursing home level of care; or
- 3,621 people, where these are the eligible individuals with at least two ADL dependencies and at risk of becoming the most frail and vulnerable segment of our population.

The additional 10% in funding we have requested will support an additional 115 people with three or more ADL dependencies or 834 people with non-complex cases, beyond those who would already be reached with EOA's existing funding request. In other words, this increased funding would support a new total of either:

² Hawaii State Plan on Aging, October 11, 2011 – September 30, 2015, Executive Office on Aging.

³ Id.

⁴ See Kupuna Care Fact sheet, revised 2/9/2015.

- 608 people, where those people are the most frail and vulnerable with three or more ADL dependencies and eligible for nursing home level of care; or
- 4,455 people, where these are the eligible individuals with at least two ADL dependencies and at risk of becoming the most frail and vulnerable segment of our population.

That's a real, tangible difference. Each one of those people is a father, mother, grandparent, or spouse that needs help.

Conclusion

For these reasons, we respectfully request that the supplemental funding for Kupuna Care described in SB 964 be incorporated into the EOA base budget described in HB 500, and that this funding be increased as described above.

This would bring the total base budget for Kupuna Care to \$9.9 million for Fiscal Year 2015-2016 and \$9.9 million for Fiscal Year 2016-2017.

BUF-10 (15)

STATE OF HAWAII		PROGRAM APPROPRIATIONS	
ITEM NO	PROGRAM	PROGRAM ID	EXPENDING AGENCY
		FISCAL YEAR	
		2015-16	2016-17
		F	F
19.	CASE MANAGEMENT FOR SELF-SUFFICIENCY	HMS236	
	OPERATING		
		HMS	301.78 *
		HMS	14,713,264 A
		HMS	237.22 *
		HMS	20,955,493 N
		HMS	2,763 P
20.	DISABILITY DETERMINATION	HMS238	
	OPERATING		
		HMS	45.00 *
		HMS	7,598,795 N
21.	CHILD SUPPORT ENFORCEMENT SERVICES	ATG500	
	OPERATING		
		ATG	74.80 *
		ATG	4,369,352 A
		ATG	145.20 *
		ATG	15,194,827 P
		ATG	2,231,224 T
22.	EMPLOYMENT AND TRAINING	HMS237	
	OPERATING		
		HMS	469,505 A
		HMS	699,734 N
23.	PLANNING & DEV FOR HAWAIIAN HOMESTEADS	HHL602	
	OPERATING - CUR. LEASE PAYMENTS		
		HHL	1,720,000 A
		HHL	7,912,000 A
		HHL	115.00 *
		HHL	13,517,243 B
		HHL	4.00 *
		HHL	23,317,601 N
		HHL	81.00 *
		HHL	11,037,323 T
		HHL	5,000,000 C
		HHL	20,000,000 N
24.	OVERALL PRGM SUPPT FOR AGING, DIS & LTC	HTH904	
	EXECUTIVE OFFICE ON AGING		
	OPERATING		
		HTH	5.74 *
		HTH	7,374,368 A
		HTH	8.26 *
		HTH	7,057,040 N
		HTH	972,286 P
25.	DISABILITY & COMMUNICATIONS ACCESS BOARD	HTH520	
	OPERATING		
		HTH	5.00 *
		HTH	1,302,117 A
		HTH	10,000 B
		HTH	2.00 *
		HTH	273,411 U
		HTH	5.00 *
		HTH	1,327,794 A
		HTH	10,000 B
		HTH	2.00 *
		HTH	280,848 U

01/12/15

A1(1)

II- 19.

NO. B. A.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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Carol Morimoto
Robert Naniolo
Darcie Scharfenstein
Alan Shinn*

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members, House Committee on Finance

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: **Wednesday, March 11, 2015 at 11:00 a.m. in Rm. 308**

Testimony for HB500, Relating to the State Budget.

Thank you for the opportunity to provide testimony in support of the State budget bill, HB500. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community. Specifically, we are submitting testimony in regards to the following Program ID numbers:

- **BED160:** We ***support an appropriation of \$100 million for the Rental Housing Trust Fund (RHTF).*** Hawaii is currently in the midst of a housing crisis – our state has the 2nd highest rate of homelessness per capita in the nation – and now is the time to maximize every tool at our disposal to address this issue. The RHTF is a proven mechanism for affordable housing development and since its inception has added over 5,000 new units to Hawaii's rental housing inventory.
- **HMS224:** We ***support an appropriation in the Department of Human Services (DHS) base budget of \$3 million for the Housing First program.*** Housing First is an evidence-based best practice, which has proven its effectiveness in addressing chronic homelessness. An appropriation of \$3 million would enable the expansion of Housing First to the neighbor islands, and including this appropriation in the base budget will ensure housing stability for the program's current participants (52 households as of March 2015).
- **HMS305:** We ***support increasing the appropriation for the Preschool Open Doors (POD) program by \$6 million.*** The POD



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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program currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. According to PATCH, childcare is the second highest expense for households behind housing costs. Having POD keep its doors open is critical to Hawaii's most vulnerable children and families. Without the support that POD provides, many Hawaii children will be left at a disadvantage, and not receive the full preparation and support they need to enter the public education system and succeed.

- **HMS401:** We ***support an appropriation of \$7 million to cover co-pays and medical premium costs for non-U.S. citizens that have been transitioned off of Med-QUEST to the Hawaii Health Connector.*** On March 1, 2015, 7,700 individuals were transitioned off of Med-QUEST to private health plans – These individuals are all below 138% of Federal Poverty Level, and will be unable to cover the cost of co-pays for medication and/or doctor visits. There is over 40 years of research indicating that co-pay costs results in decreased access to health care for low-income populations, and that this can result not only in worsening health conditions or death, but also increased emergency care costs for the broader community.

We recognize that there are many competing priorities for funding, and appreciate the opportunity to testify in strong support of the various appropriation items listed above. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org. Thank you for the opportunity to testify.



Princeville Utilities Company, Inc.

Testimony of Ian Kagimoto
Supporting H.B. 500 Relating to the State Budget
House Committee on Finance
Wednesday, March 11, 2015, 11:00 AM, Room 308

Our company is a member of the Kauai Watershed Alliance and we recognize the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

Princeville's water system, which also serves Anini and is the backup source for Hanalei, relies on three deepwells for its drinking water. The sustainable yield from these wells is directly impacted by the quantity of water that is captured in the forest lands above Princeville and seeps into the ground, recharging our groundwater aquifer.

We support the DLNR's request for funds for the Natural Area Reserve Fund currently at \$12,934,000. In addition, we support their request for a \$1,000,000 capital improvement project for watershed fencing and that the Hawaii Invasive Species Council programs be increased to \$6,000,000 in general funds. The watershed protection and invasive species programs help to ensure healthy, managed natural resources that are critical to ensuring an adequate source of clean drinking water for Hawaii's people.

Thank you for your support.

Sincerely,

Ian Kagimoto, PE
Manager



March 11, 2015

TO: Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice Chair
Members of the House Committee on Finance

From: Deborah Zysman, Executive Director
Good Beginnings Alliance

Re: **Testimony in Support of HB500:** Relating to State Budget for FY2015-16 and FY2016-17
Hearing March 11, 2015 at 11:00 AM, Conference Room 308

Thank you for this opportunity to provide testimony in support of HB500, and to urge members of the committee to amend the budget bill to restore \$6 million in funding to the for the Preschool Open Doors Program in HMS 305 for Fiscal Year 2015-16 and Fiscal year 2016-17.

Good Beginnings Alliance is Hawaii's leading independent, policy and advocacy non-profit organization on children's health, education and safety. We build a united voice to educate and advocate for Hawaii's children.

Since it was established in 1990, Preschool Open Doors (POD) allows low-income children and families in Hawai'i to afford childcare so parents can go to work or pursue higher education. **Last year, 2,208 families applied for this program. POD operated by Department of Human Services currently serves 1,287 statewide. Nearly half of the children served in this program come from single-parent households.**

POD helps qualifying families pay subsidized tuition at a DHS-licensed group childcare facility, such as a preschool. The program prioritizes underserved and at-risk children, for the year prior to kindergarten to promote school readiness. Without your support, \$6 million in funding for this critical safety net program will end on June 30, 2015, which means thousands of children will not be prepared to start kindergarten, including the children who will be nearly six years old due to the kindergarten entry age change.

President Obama has focused efforts to help all working families with young children afford childcare. His administration believes that ensuring that children have access to high quality affordable early childhood programs can help children prepare for school and succeed later in life while strengthening their parents' ability to go to work, advance their careers and increase their earning potential. Investments in high-quality early education generate economic returns of over \$8 for every \$1 spent.

President Obama is proposing an expansion of access to childcare assistance to assure that all eligible families (those with incomes below 200 percent of poverty – approximately \$40,000 for a family of three with children age three and under) have access to a subsidy to pay for quality childcare so they can work or attend school or job training. To qualify for this funding, states will be asked to develop sound plans to build the supply of quality care for infants and toddlers and ensure the subsidies they provide will cover the cost of quality care.

Restoring the FY 2014-15 level funding to the biennium budget is a step in this direction and will enable nearly 1,300 children throughout the state gain access to the Preschool Open Doors Program (POD). POD also helps to provide subsidies for part-time care for children enrolled in Head Start, a federally funded program that provides quality services to qualifying preschoolers and their families which runs half-days.

According to the Hawaii State School Readiness Assessment for 2012-13, more than 40 percent of children entering kindergarten had not attended a pre-kindergarten program and more than 90 percent of students in Department of Education (DOE) classrooms did not meet benchmarks in all dimensions of school readiness. This trend is alarming, but it can be reversed.

DOE data also shows that one out of three children in Hawaii is not reading at grade level by 3rd Grade. This is a key indicator to high school graduation rates and later success outcomes.

Hawaii ranks second to last out of the most affordable states in the country. Childcare is generally the second largest expense in family budgets after housing costs. The average income of families served by POD is \$33,000 annually. The average preschool cost is \$8,052 in 2012. Since 2013-14, DHS has seen a 54 percent increase in the number of applications for POD subsidies.

Preparing our young children to be ready to learn and thrive before they reach kindergarten not only helps to improve their lives as individuals, it improves the lives of our communities.

Having Preschool Open Doors keep its doors open is critical to Hawai'i's most vulnerable children and families. Maintaining the annual funding of \$6 million for DHS to keep running this program. Hawai'i's families need this program for our keiki.

For these reasons, we respectfully urge committee members to amend HB500 to restore POD subsidies to the State Biennium Budget this session.

March 10, 2015

Aloha Representatives Luke, Nishimoto and Yamashita

RE: HB 500 – Restoring POD funding

I strongly support an amendment to HB 500, requesting restoration of \$6 million for the proposed biennium budget to fund the Preschool Open Doors program.

In my work as Project Specialist at the Maui County Early Childhood Resource Center over the past 8 years I have personally assisted hundreds of families to access financial aid for child care from the Preschool Open Doors Program. In 2014-15 in particular the help from POD has enabled parents of children affected by the change in Kindergarten entry to work and attend college classes because they have affordable, safe and dependable child care. Without this program, many parents would have to quit their jobs because they can no longer afford the cost of tuition. These families cannot rely on Child Care Connection to meet their needs if POD is not funded in 2015-16 because of Child Care Connection's outdated income guidelines and benefits structure. The CCC benefits are so much lower than POD provides that most low to middle income families don't qualify for enough to make the cost of child care remotely affordable. I have already referred approximately 100 families from Maui County to submit applications for POD this month.

Other reasons why POD must be funded include:

- **Since it was established in 1990, Preschool Open Doors allows low-income children and families in Hawai'i to afford childcare so parents can go to work or pursue higher education. This program operated by Department of Human Services (DHS) currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. Nearly half of the children served in this program come from single-parent households.**
- **Without your support, \$6 million for this critical safety net program will end on June 30, 2015, which means thousands of children will not be prepared for Kindergarten when they start, including the children who will be almost six years old due to the Kindergarten entry age change.**
- **Having Preschool Open Doors keep its doors open is critical to Hawai'i's most vulnerable children and families.**
- **Please maintain the annual funding of \$6 million for DHS to keep running this program! Hawai'i's families need this program for our keiki.**

Sincerely,

Melanie Padgett

Maui County Early Childhood Resource Center

Project Specialist

242-1608

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 09, 2015 12:09 PM
To: FINTestimony
Cc: jparish@hawaii.edu
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/9/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Julia Parish	Individual	Support	No

Comments: DLNR's spending ceiling on the Natural Area Reserve Fund* should remain at \$12,934,000; DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects should be approved; and the request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) programs be increased to \$6,000,000 in general funds.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

RE: HB500 - SUPPORT
House Finance Committee
Hearing March 11, 2015 11:00am

Aloha Senators,

I am writing in support of HB500, which provides funding for the Invasive Species Committees and Watershed Partnerships. I know that many other groups with knowledge of the ecology of the islands will write to you on the critical importance of their work, but I wanted to present a slightly different view of the work they do and its value in our communities.

In my time as a high school and middle school science teacher at Laupahoehoe Community PCS, I was so fortunate to be able to work with all three WPs and the ISC on Hawaii Island. Not only were my students provided with opportunities to visit places in their island home they had never seen before, they were able to utilize these places as learning resources in a way that simply is not replicable inside a classroom. Additionally, these groups provided multiple opportunities for professional educator development, guest presenters in the classroom, individualized student support, guest "judges" for science showcases, and so much more!

An opportunity to perform field research based in the Kohala bog with KWP was consistently and by far the project my Chemistry students most enjoyed and worked hardest on each year. Similarly, despite freezing overnight temperatures at the 8000' elevation, one of the most popular high school field trips was a 2-day trip each spring to the Kanakaleonui Bird Corridor (KBC), a project of MKWA. Students learned the ecology of the watershed that supplied their own homes, planted trees and viewed the impacts of invasive species, all while being provided a cultural perspective and history that really shaped the learning process and resonated with the kids.

BIISC worked with a group of Special Education students considered to be our most "hard-case" and trained them in invasive species identification and control, potential job skills. During the time that this program was implemented, the attendance of those at-risk students improved significantly. TMA brought visitors from Peru to my classroom and provided me the opportunity to take my students to visit the KBCC facility in Volcano to see and learn about the last population of *alala* (Hawaiian crow) left in Hawaii, and to use seeds we collected from the MKFR to feed the captive breeding palila there.

I am currently helping students who participated in these programs to apply for KUPU internships in natural resources that are a path to college. These students would not have understood nor considered such opportunities if it had not been for their exposure to natural resources work in these programs.

I know that all of these groups struggled to make these opportunities available, and most had to obtain outside grant funding in order to do so. Unfortunately the tenuous nature of such funding means that many times, these programs simply disappear. I believe that investing in our students and creating a value for natural resources in our young people will provide great benefit to us all in the future, and that the state should take a great interest in making sure these programs not only continue, but are expanded to more students and more schools.

With this funding, you are protecting our state's resources in so many ways.

Thank you for your time,
Franny Kinslow Brewer
PO Box 942
Mt. View, HI 96771

808-987-0620
franny234@gmail.com

Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
House Committee on Finance

Bruce Bennett
94-402 Keaolani Street
Mililani, Hawaii, 96789
email: bru@Hawaii.rr.com

Monday, March 9, 2015

Comments on H.B. 500 Relating to the State Budget

Thank you for the opportunity to comment on this bill. While I am generally in favor of it I would like it amended to add specific funding for the following:

a. Add a new item, such as H.4, for Aloha Stadium's necessary repairs, \$2,250,000 design and \$15,000,000 construction funding each for Fiscal Years 2015-16 and 2016-17 (\$34,500,000) total.

I feel that this is needed to ensure that the stadium remains safe and an enjoyable venue for football, soccer, concerts and other activities. Further, development of the Aloha Stadium Complex should be avoided if it eliminates or diminishes use of the site for fairs or future stadium placement. I understand a recent public survey resulted in finding or confirming that a large portion of the population prefers retaining, maintaining, and upgrading the existing stadium in its current location.

b. Add a new item, such as K.5, for the State Capitol Reflecting Pools, Replacing the liner, circulation system, and other related upgrades and ancillary work, \$1,500,000 design funding for Fiscal Years 2015-16, and \$10,000,000 construction funds for 2016-17.

This is another item that further delay will likely result in far higher future costs. It currently is unsightly, probably a structural, health and safety issue and makes what is the most important building and facility in the State appear more or less like a sewage treatment plant.

While it is also fitting that these measures could be stand-alone bills, I do not believe anyone of either legislative body has proposed so this session; in any case they are vital and critical projects and this is a valid means to address them in a timely manner. I recommend that my cost estimates be by run by the

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 09, 2015 9:39 PM
To: FINTestimony
Cc: alisakimura@yahoo.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/9/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alisa Kimura	Individual	Comments Only	No

Comments: I am writing in support of HB500 relating to the State Budget for watershed and invasive species funding. I request DLNR's spending ceiling on the Natural Area Reserve Fund remain at \$12,934,000. I also am in support of DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; furthermore, I am in support of DLNR's request for Hawai'i Invasive Species Council (HISC) programs be increased to \$6,000,000 in general funds. Thank you. Sincerely, Alisa Kimura

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 09, 2015 7:43 PM
To: FINTestimony
Cc: dwleake@aol.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/9/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Leake	Individual	Comments Only	No

Comments: Dear Legislators, I encourage you to restore the \$6 million to the budget that was originally dedicated to Preschool Open Doors. Since 1990 this program has allowed low-income children and families in Hawai'i to afford childcare so parents can go to work or pursue higher education. This program operated by Department of Human Services (DHS) currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. Nearly half of the children served in this program come from single-parent households. Without your support, \$6 million for this critical safety net program will end on June 30, 2015, which means thousands of children will not be prepared for Kindergarten when they start, including the children who will be almost six years old due to the Kindergarten entry age change. Having Preschool Open Doors keep its doors open is critical to Hawai'i's most vulnerable children and families.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 09, 2015 8:08 PM
To: FINTestimony
Cc: rstark@rcchawaii.org
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/9/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Stark	Individual	Support	No

Comments: FROM: Fr. Robert Stark, Director Catholic Diocese of Honolulu Office for Social Ministry
Hearing: Wednesday, March 11, 2015; 11:00 AM; Conference Room 308 Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance: Thank you for the opportunity to provide testimony in strong support for funding Housing First, in the budget of the Department of Human Services (HMS 224). I am Fr. Robert Stark, the Director of the Catholic Diocese of Honolulu Office for Social Ministry. The Office for Social Ministry strongly supports \$3 million to continue a very effective program and to expand it to the Neighbor Islands. We respectfully urge you to include this funding to the base budget of DHS. Because funding is not currently in the base budget, the sustainability of housing for individuals in the program (40 households as of 1/28/15) is at risk. Many vulnerable people will be hurt without sustained funding because many effective community organizations will not be able to successfully transition the chronically homeless into permanent housing. Research indicates that Housing First is the way to end chronic homelessness. Programs consistently report high success rates of keeping residents in permanent housing. We respectfully urge you to add this funding to the base budget of DHS. People in every community in Hawaii are concerned about homelessness. The Catholic Diocese of Honolulu RoadMap lists homelessness and affordable housing as a key priority focus for living our faith and working for social justice . We encourage our parishioners to learn more about and support Partners in Care efforts to advocate for more funding for Housing First. Thank you for supporting this very worthwhile effort for \$3 million for Housing First and to include Housing First funding in the base budget of DHS. Mahalo nui loa and God Bless.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 7:47 AM
To: FINTestimony
Cc: nathanmdube@gmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Dube	Individual	Support	No

Comments: Invasive species is and will be one of the most crucial and defining issues of our generation throughout the world. Due to the biological diversity and uniqueness of our natural world here in Hawaii, it may be even more important than any other single place in the world. I strongly support increasing the HISC general funds budget from \$4 million to \$6 million. I also support the proposed \$1 million CIP budget for watershed fencing and I support maintaining the the funding ceiling for DLNR if unable to increase it. Aloha and a hui hou.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 10:55 AM
To: FINTestimony
Cc: cbrosius@yahoo.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Brosius	Individual	Comments Only	No

Comments: I am in favor of funding measures supporting watershed and invasive species protection. These funds are critical to preventing further degradation to our natural resources.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 11:25 AM
To: FINTestimony
Cc: sharon@samesmallboat.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sharon Taba	Individual	Support	No

Comments: Please add \$6 million/year in biennial funding in the HB500 biennium budget to restore the current fiscal year budget for the Preschool Open Doors program to HMS 305. Since it was established in 1990, Preschool Open Doors allows low-income children and families in Hawai'i to afford childcare so parents can go to work or pursue higher education. This program operated by Department of Human Services (DHS) currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. Nearly half of the children served in this program come from single-parent households. Without your support, \$6 million for this critical safety net program will end on June 30, 2015, which means thousands of children will not be prepared for Kindergarten when they start, including the children who will be almost six years old due to the Kindergarten entry age change. Having Preschool Open Doors keep its doors open is critical to Hawai'i's most vulnerable children and families. Please maintain the annual funding of \$6 million for DHS to keep running this program! Hawai'i's families need this program for our keiki.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 11:52 AM
To: FINTestimony
Cc: jkimof@msn.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Individual	Support	No

Comments: Please support this bill to keep our statewide watershed protection and invasive species control funding intact. Thank you James Kimo Falconer President MauiGrown Coffee, Inc.

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finance1-Kim

From: Randy Compton <rcompton@hawaii.edu>
Sent: Tuesday, March 10, 2015 11:47 AM
To: FINTestimony
Subject: Testimony for HB 500 HMS 410 Seq. No. 210-001

Randy Compton
Commenting on HB 500 (HMS 410 Seq. No. 210-001)
House Committee on Finance
Wed., March 11, 2015, 11:00 AM

Commenting on **HB 500, HMS 410 Seq. No. 210-001** regarding Medicaid funds for non-US citizens: Please add \$7 million or however much is necessary to provide full premium and copay subsidies to non- US citizens who would be otherwise eligible for Medicaid but for their citizenship status. Without this assistance, thousands of Hawaii residents will be unable to afford adequate medical care and will suffer serious health consequences and even die as a result.

Thank you for the opportunity to testify on this measure,

Randy Compton

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 12:52 PM
To: FINTestimony
Cc: thelma.kealoha.1@gmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Thelma Akita-Kealoha	Individual	Support	No

Comments: Please include the \$3 million in the base budget to expand Housing First to the neighbor islands. I am from Maui and our community is struggling to find enough resources to house chronically homeless. It's difficult when the County has to do sweeps of any area and not be able to offer housing many of these folks, the Housing First program is one of the solutions and resources we can offer to these folks.

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Supporting testimony for HB 500 HMS 410 Seq. No. 210-001 .

Megan Kiyomi Inada Hagiwara, MPH
Commenting on HB 500 (HMS 410 Seq. No. 210-001)
House Committee on Finance
Wed., March 11, 2015, 11:00 AM

Aloha,

Thank you very much for allowing me the opportunity to comment on **HB 500, HMS 410 Seq. No. 210-001** regarding Medicaid funds for non-US citizens. I understand you are in a very hard position and must make many difficult decisions everyday regarding important programs to fund. However I truly believe if we do not help support this very vulnerable population now, the human and financial cost will be even greater down the line. And so I humbly ask you, please add the necessary funds to provide full premium and copay subsidies to non-US citizens, who would be eligible for Medicaid but for their citizenship status. Without this assistance, thousands of Hawaii residents will be unable to afford adequate medical care and will suffer serious health consequences and even die as a result. Thank you for the opportunity to testify on this measure.

Sincerely,

Megan Hagiwara

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 11, 2015 10:13 AM
To: FINTestimony
Cc: misc@hawaii.edu
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

LATE

HB500

Submitted on: 3/11/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Teya Penniman	Maui Invasive Species Committee	Support	No

Comments: The Maui Invasive Species Committee requests that FY16 funds appropriated for the Hawaii Invasive Species Council (HISC) be at least equal to funding levels for FY15. This year, Senate and House bills requested \$6 million for HISC. Level funding will be essential to maintain current projects and make continued progress against species such as little fire ants, coqui frogs, coconut rhinoceros beetle, miconia and many others. The comprehensive HISC structure works well to identify and target funding for the highest priority issues. Thank you for your consideration.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 11, 2015 9:49 AM
To: FINTestimony
Cc: aprilei@hawaii.edu
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

LATE

HB500

Submitted on: 3/11/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Aprilei Ramirez	Individual	Support	No

Comments: Our facilities at Manoa have been neglected for many years. We have hundreds of millions of dollars of deferred maintenance backlog, by far the most in the UH System. In addition to repairs, we have many buildings in need of modernization including energy efficiency improvements. I urge your support of this plan to restore Manoa facilities.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 4:05 PM
To: FINTestimony
Cc: hesileen@gmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Hesileen Arellano	COFACAN	Comments Only	No

Comments: Commenting on HB 500, HMS 410 Seq. No. 210-001 regarding Medicaid funds for non-US citizens: Please add \$7 million or however much is necessary to provide full premium and copay subsidies to non-US citizens who would be eligible for Medicaid but for their citizenship status. Without this assistance, thousands of Hawaii residents will be unable to afford adequate medical care and will suffer serious health consequences and even die as a result. Thank you for the opportunity to testify on this measure.

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Director

Jayson M. Watts
Executive Director/Board Secretary



LATE

TESTIMONY OF THE
BOARD OF DIRECTORS OF REACH OUT HAWAII
TO THE
HOUSE COMMITTEE ON FINANCE

HOUSE BILL NO. 500
Relating to the State Budget

March 11, 2015

Dear Chair Luke, Vice Chair Nishimoto, and members of the committee:

Thank you for the opportunity to provide testimony in *support* of House Bill No. 500.

REACH Out Hawai'i is a nonprofit corporation which was established in 2013 to support the state's R.E.A.C.H. Initiative in developing a comprehensive framework for afterschool programs for public middle and intermediate schools throughout the state. Our mission at REACH Out Hawai'i is to leverage resources to help build a sustainable funding base for high quality programs that keep our kids engaged in learning so they can succeed in school and in life.

REACH Out Hawaii is in support of the Governor's executive budget request for HMS 501 for the R.E.A.C.H. program, including a full-time position within the Office of Youth Services to administer and coordinate the program. The middle school years are a critical time in a child's life where disengagement can start to take hold and middle school-aged children account for nearly 50% of all first time juvenile arrests; and juvenile crime, drug rehabilitation, counseling and other forms of intervention result in high costs, both financially and emotionally, to families, loved ones, and the taxpayer.

The strategic goals and mission of the R.E.A.C.H. Initiative are in alignment with the goals and mission of the Office of Youth Services. All R.E.A.C.H. programs are high quality youth development activities and after school programs focused on education and academic enrichment, arts and culture, active healthy living and athletics that keep Hawaii's middle school students active, healthy, contributing and on track towards high school graduation, college, career, and ultimately, a better quality of life.

Thank you for the opportunity to testify in *support* of the Governor's executive budget requests for HMS 501 and your continued commitment to our keiki.



THE SEX ABUSE TREATMENT CENTER

A Program of Kapi'olani Medical Center for Women & Children

LATE

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Robert H. Pantell, MD

Gidget Ruscetta

Joshua A. Wisch

DATE: March 11, 2015

TO: The Honorable Sylvia Luke, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Finance

FROM: Adriana Ramelli, Executive Director
The Sex Abuse Treatment Center

RE: Comments Regarding H.B. 500
Relating to the State Budget

I would like to thank the Committee for this opportunity to provide commentary on behalf of The Sex Abuse Treatment Center (SATC), a program of Kapi'olani Medical Center for Women & Children (KMCWC), with regard to the General Appropriations Act of 2015, House Bill 500 (H.B. 500).

The SATC respectfully requests your consideration of the Fiscal Biennium 2015 - 2017 Operating Budget Adjustment Request of the Department of the Attorney General for statewide sexual assault services, ATG 100 AC, as communicated in the Governor's Message 207 (G.M. 207) which proposes changes to H.B. 500.

G.M. 207 requests a \$380,000 increase to the existing annual budget of the Department of the Attorney General (the AG) for statewide sexual assault services. The AG contracts for these services with KMCWC/SATC. Treatment, prevention, and education services (direct services) are delivered by a network of sexual assault centers in every county, under technical assistance provided by the SATC which includes program planning, professional consultation, and accountability for public funds.

Presently, base operating funds for statewide sexual assault services in the amount of \$2,000,000 per year – which has remained unchanged since 2007 – are divided between statewide direct services and technical assistance. The funding made available by the changes proposed by G.M. 207 will permit the entire \$2,000,000 to be used for direct services, while continuing to allow the SATC to conduct the technical assistance needed to support them.

This will translate into the SATC and the neighbor island sexual assault centers being able to fill current critical gaps in the provision of direct services, with a focus on rural areas and fragile/underserved populations.

We appreciate your consideration of G.M. 207's requested adjustments to H.B. 500 with respect to funds for statewide sexual assault services (ATG 100 AC). Inclusion of these funds in H.B. 500 will ensure that survivors and their loved ones across the islands will receive the care that is crucial to recovery from the effects of sexual assault, and empower communities statewide with the services needed to prevent acts of sexual violence.

DAVID Y. IGE
GOVERNOR



LATE

HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

March 11, 2015 at 11:00 A.M.
Room 308, Hawaii State Capitol

In consideration of

House Bill 500

Relating to the State Budget

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding House Bill (H.B.) 500, relating to the state budget.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015 – 2016 and 2016 – 2017.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

For Program IDs HMS220, HMS222, and HMS229, the HPHA is requesting federal fund ceiling increases of \$810,196, \$133,201, and \$703,539 in FY16 and FY17, respectively. The requested ceiling increases are needed due to an increase in the federal fringe benefits rate to 52%. The composite federal fringe benefit rate will cover:

- Pension accumulation
- Pension administration
- Retiree health insurance
- Employees' health fund
- Workers' compensation

- Unemployment compensation
- Social security
- Medicare

Lump sum for public housing development, improvements, and renovations statewide

Due to the age of our housing inventory, and unexpected issues that often occur, the HPHA respectfully requests your consideration for a lump sum budget request (as you have done in the past), which will provide the agency with the flexibility of managing and expending capital funds in an expeditious manner. These crucial funds will provide the agency with the ability to tackle its capital needs backlog of approximately three quarter of a billion (\$0.75) in capital needs, and your assistance is very important. The agency has properties that have been built over 50 plus years ago, and the issues at these properties need to be addressed.

Some of the situations that need to be addressed are straight forward site and building improvements such as new roofing needs at Kalihi Valley Homes on Oahu, to unforeseen issues such as remediating arsenic from the soil at Lanakila Homes on Hawaii Island, and to federally mandated Americans with Disabilities Act improvements at all HPHA properties.

The current budget before you has \$5,000,000 for FY16 and FY17 respectively and will be used to fund a very small portion of ongoing work that will hurt the agency's ability to house additional tenants.

The HPHA currently receives zero funds for these types of capital related operational expenses from the State except for the capital fund appropriation itself. Unfortunately, the agency has not been allowed to draw from the capital appropriations for either the administrative or the direct expenses incurred by the HPHA while expending state capital funds. Therefore, the HPHA respectfully requests additional language to authorize B&F to promptly process the funds:

Project Title: LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE

Description: PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO DEVELOP, UPGRADE OR RENOVATE PUBLIC HOUSING FACILITIES. INCLUDING GROUND & SITE IMPROVEMENTS, INFRASTRUCTURE, EQUIPMENT, APPURTENANCES AND ALL RELATED AND ASSOCIATED PROJECT COSTS FOR PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE. INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT CIP PROJECT RELATED POSITIONS.

Add general funds to provide support for State low-income public housing

Hawaii Revised Statutes Chapter 356D mandates that the State low-income public housing program must be self-supporting, however, the rental income at the HPHA's state housing facilities is insufficient.

The HPHA is requesting these general funds to supplement rental income, and assist the agency in delaying or reasonably increasing rents in both state family and state elderly low-income public housing. State elderly housing represents 576 units out of a total of 864 units or

approximately 80% of the total state units. This population is particularly vulnerable to rent increases as their income is generally fixed.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding H.B. 500. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support to address the affordable housing crisis facing Hawaii.

*Hawaii Association for Infant Mental Health
FIRST RELATIONSHIPS*

March 10, 2015

Representative Sylvia Luke, Chairperson House Finance Committee
Representative Scott Nishimoto, Vice Chair House Finance Committee

=

-
-
President Sharon Taba
President-Elect Joey
Keahiolalo
Secretary Naomi Kau
Treasurer Gail Breakey

Re: HB 500, Requesting Funding for Open Doors Preschool

Dear Representatives Luke, Nishimoto and Committee Members

I am Gail Breakey, testifying on behalf of the Hawaii Association for Infant Mental Health in strong support of this bill.

-
Board of Directors
JoAnn Bishop Freed
JoAnn Farnsworth
Leilani Kupahu-Marino
Jean Johnson •
Jodi Johnson -
Linda Rich -
Patria Weston-Lee -
Joan Takamori -
Dewayne Bettag •
-

This is not a new program. Preschool Open doors has been serving low income disadvantaged young children and their families since 1990. -

Pre-school Open Doors enables disadvantaged young children to be exposed to early learning experiences needed for school readiness, and enables their parent (s) to go to work knowing their child is safe. The program currently serves 1,287 families; there is also a waiting list of 900 families. This program is critical to the safety net for vulnerable families; half of the families are single parent families. Current funding of \$6 million will end on June 30, without legislative action and support.

A pre-school experience is important for the emotional health and wellbeing of low-income families, many of whom are exposed to adverse circumstances in their homes. It is critically important for young children who have been abused /and or physically or emotionally neglected, or are at risk. This service reduces parental stress and offers children a safe place to interact with caring adults, learn social skills and develop cognitive foundations for learning.

Thank you for the opportunity to testify on this issue, and I urge you to support Preschool Open Doors with a \$6 million budget.

Sincerely,

Gail Breakey

Gail Breakey, RN, MPH
HAIMH Policy Committee

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 7:15 PM
To: FINTestimony
Cc: dkupferman@gmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Kupferman	Individual	Comments Only	No

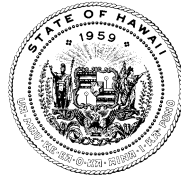
Comments: Commenting on HB 500, HMS 410 Seq. No. 210-001 regarding Medicaid funds for non-US citizens: Please add \$7 million or however much is necessary to provide full premium and copay subsidies to non-US citizens who would be eligible for Medicaid but for their citizenship status. Without this assistance, thousands of Hawaii residents will be unable to afford adequate medical care and will suffer serious health consequences and even die as a result. Thank you for the opportunity to testify on this measure.

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DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
IN SUPPORT OF

HB 500, RELATING TO THE STATE BUDGET

March 11, 2015

Aloha Chair Luke, Vice-Chair Nishimoto, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits the following comments for the Committee's consideration. DHHL respectfully urges this Committee to fulfill its constitutional obligation to appropriate sufficient funding to DHHL. The amounts identified as sufficient by DHHL to meet the four constitutional purposes of the program were outlined in our earlier testimony provided to this Committee at its January 7, 2015 hearing. At a minimum we would ask concurrence with the Governor's Executive Budget request for our program, HHL 602 - Planning and Development for Hawaiian Homesteads. HB 500, as introduced, includes \$9.6 million in general funds to cover a portion of our department's existing personnel and other current expenses. While this sum is not sufficient to cover all administrative and operating costs, the \$9.6 million represents the same amount of general funding allocated to DHHL for each of the last two fiscal years. Any reduction from this amount will require either an additional allocation of trust fund

resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL.

As you are aware, the Hawaii Supreme Court ruling on March 9, 2012, on Nelson v. Hawaiian Homes Commission had a significant impact on our budget request for FY 2016 and FY 2017. Article XII, Section 1 of the State Constitution requires that the Legislature make sufficient sums available for development of homestead lots, homestead loans, rehabilitation projects and DHHL's administrative and operating expenses. The recent ruling affirms that the courts can determine what constitutes "sufficient sums" for the DHHL's administrative and operating expenses to carry out the purposes of the Hawaiian Homes Commissions Act, 1920, as amended. This determination from the courts is still forthcoming. Further, the ruling makes clear that the 1978 constitutional amendment requiring the appropriation of "sufficient sums" was intended to relieve DHHL of the burden of general leasing its lands to generate administrative and operating funds.

HB 500 also includes a total of \$5 million in FY 2016 and \$10 million in FY 2017 in general obligation bonds for capital improvement projects (CIP) on Hawaiian home lands. The projects identified by DHHL represent several high priority repair and maintenance of existing infrastructure projects across the state. We would request that the Committee, at a minimum, keep these amounts intact. Given that the amounts identified in HB 500 for DHHL's capital improvements projects represents a fraction of what is required, we respectfully

urge the Committee to consider increasing the amounts of general obligation bond financing appropriated to DHHL.

The department administers one (1) program, HHL 602, Planning and Development for Hawaiian Homesteads. The objectives of the program are to develop and manage designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Act), and generate revenues to address program needs. At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries

Thank you for the opportunity to provide this testimony for your Committee's consideration.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 9:12 PM
To: FINTestimony
Cc: lho@hawaiipublicpolicy.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kamehameha Schools	Kamehameha Schools	Comments Only	No

Comments: Kamehameha Schools supports promoting the achievement and success of Hawai'i's public school students and, as such, has been a collaborator with the Hawai'i public charter schools for over a decade. Through our work with public charter schools, we hope to significantly impact more children and their families through education. We believe charter schools provide positive choices for education and ultimately enhance both achievement and engagement for students across Hawai'i. We ask that you help to provide our state's most innovative educators with the strong support and stable foundation that they need continue their positive growth. We believe efforts to improve the public charter school system improve access to education and, ultimately, enhance education for all of Hawai'i's children. We mahalo your support for public charter schools and recognize that measures to address facilities funding will be considered in addition to the funding in HB 500.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 10, 2015 10:32 PM
To: FINTestimony
Cc: tristanh314@gmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/10/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tristan D Holmes	Individual	Support	No

Comments: Manoa facilities are outdated to the point of safety hazards in many instances. The budget necessary for routine maintenance is vital.

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LATE

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair

Measure: HB 500 Relating to the State Budget

Date: Wednesday March 11, 2015

Time: 11:00 AM

Place: Conference Room 308

From: Sheldon Riklon MD, Chair, Micronesia Health Advisory Coalition

Re: Commenting on HB500, HMS 410 Seq. No. 210-001 regarding Medicaid funds for non-US citizens

Although I am a full time faculty at the Department of Family Medicine and Community Health at the John A. Burns School of Medicine, the comments here are personal and that of a family physician and chair of an active Micronesia community advocacy organization. My comments here do not represent the views of the institution where I am employed.

The Micronesia COFA community has been and continues to proactively work with DHS Director Rachael Wong, the Hawaii Health Connector, and the Department of Human Services Staff to ensure that the Connector truly connects with the COFA community. The COFA community wishes to make the effort succeed to alleviate the state Quest costs, and provide a robust health care insurance coverage for this population.

Even if Hawaii's Basic Healthcare Hawaii (BHH) COFA residents are successfully transferred to the Hawaii Connector, Hawaii will not succeed in its goal to save the State \$27 million and to provide adequate health insurance for this population. The Affordable Care Act (ACA) Health Exchanges, which includes Hawaii's Health Connector, were designed and intended to make health insurance affordable. The Hawaii Connector Silver Insurance Plans (insurance plans for those below 100% FPL) are NOT affordable for the COFA BHH population.

Through the ACA and HI Connector, 94% of costs for the Premium Assistance Silver Plans will be covered by the US Federal Government, largely through tax credits. Six percent (6%) of the insurance premium cost will be passed on to the insured individual via outpatient visit co-pays, co-insurance costs, portions of hospital bills, and medication co-pays. Whereas individuals with a good income would be able to pay these copay/co-insurance costs, the COFA residents who are below 100% of the Federal Poverty

Level (FPL) will NOT be able to make these payments. They do not have the disposable income to accommodate these costs, and thereby they will NOT be able to access the health care system to prevent and manage their health needs.

US Citizens and other legally present residents (LPR) who have resided in the US for five years, and who are 100% below the US FPL are eligible for Federal or State Medicaid programs. COFA migrants are not. Although the ACA Connector has programs for people living below the 100% FPL, these programs are unlikely to achieve their goal for COFA migrants because of the built-in barrier to health access in the 6% costs borne by the individual.

The price tag to subsidize the copays and coinsurance costs is estimated to be 8 million dollars. A realistic cost estimation of the COFA enrollees, assuming the worst case scenario, can be derived through determining the maximum out of pocket costs (\$750.00) for each of the 7500 COFA BHH per enrollee per annum. The worst case scenario cost is \$5.6 million dollars annually. If we assume that only half of these individuals will reach the maximum out of pocket costs, the actual cost will be closer to 4 million annually. Paying \$4 million to \$5.6 million dollars annually to avoid the \$27 million dollar State BHH Quest cost is a wise investment. Should this investment not be made, the cost to the State Government, all of Hawaii's people, and the health care system will far surpass the \$5.6 million investment.

Please add \$5.6 million or however much is necessary to provide full premium and copay subsidies to non-US citizens who would be eligible for Medicaid but for their citizenship status. Without this assistance, thousands of Hawaii residents will be unable to afford adequate medical care and will suffer serious health consequences and even die as a result.

Thank you for the opportunity to testify on this measure.

Sheldon Riklon, MD

LATE

Ben Dyre Family Limited Partnership

Testimony of
Ben Dyre Family Limited Partnership
Supporting H.B. 500 Relating to the State Budget
House Committee on Finance
Wednesday, March 11, 2015, 11:00AM, Room 308

RE: Our family supports H.B. 500 to provide funding for DLNR's watershed management.

The Ben Dyre Family Limited Partnership has been a part of the Kauai Watershed Association (KWA) since its formation in 2003. As a landowner on Kauai, it is an honor to be a part of such an upstanding group, which has helped to protect and conserve our most vital assets- water, and our unique native plants and animal species. We recognize the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy. The Kauai Watershed Alliance has been actively managing portions of the mauka watershed on Kauai since 2003. We as members make up a diverse group of public and private entities that own land within the mountainous watershed and understand the importance of protecting and preserving the forests that capture fresh water—our most precious resource.

Please consider DLNR's spending ceiling on the Natural Area Reserve Fund remain at \$12,934,000; and their request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; and finally that DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) programs **be increased to \$6,000,000 in general funds**.

This bill proposes to provide additional funding for the protection of our native forests, which are the source of nearly all the islands' supply of fresh water and an essential cultural and recreational resource. The watershed protection and invasive species programs supported with state funds and leveraged several times over with matching funds from county, federal and private sources help to ensure healthy, managed natural resources that are critical for isolated island chains such as Hawai'i.

Thank you for your consideration and support!

Sincerely,



Holly Dyre
General Partner
Ben Dyre Family Ltd Partnership

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 11, 2015 7:46 AM
To: FINTestimony
Cc: kimhoffman@hotmail.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

HB500

Submitted on: 3/11/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Hoffman	Individual	Support	No

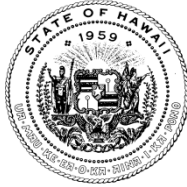
Comments: The importance of a healthy watershed and plenty of resources to keep out noxious pests cannot be overstated for the health of the islands, especially farmers. This is worth the investment of our tax dollars.

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DAVID Y. IGE
GOVERNOR

LATE



Testimony of
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 11, 2015
11:00 a.m.
State Capitol, Room 308

H.B. 500
RELATING TO THE STATE BUDGET

House Committee on Finance

The Department of Transportation (DOT) **supports** this bill which appropriates funds for our operating and capital improvement budget for fiscal year 2016-2017.

The funds requested will allow us to continue daily operations at our facilities, carry out much needed repair and maintenance projects, comply with our federal requirements and continue to execute Capital Improvement Projects (CIP) to better serve the people of Hawaii.

Thank you for the opportunity to provide testimony.



LATE

**Testimony of Hawai'i Green Growth in Support of Portions of HB500
Relating to the State Budget**

House Committee on Finance

11 March 2014, 11:00am in Conference Room 308

Audrey Newman
Hawai'i Green Growth
P.O. Box 535 Ho'olehua, Hawai'i 96729

Hawai'i Green Growth is a voluntary partnership of more than 60 state, county, federal, business, cultural and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, and other sectors who have come together to support a shared statewide commitment and tangible actions toward sustainability and a model green economy.

Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

Hawai'i Green Growth (HGG) strongly supports five critical budget items in HB500 that will significantly advance action on the Aloha+ Challenge – a joint leadership commitment unanimously endorsed by the 2014 Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs:

1. **Hawai'i State Sustainability Coordinator position** (currently in DLNR's budget) is an essential statewide position to coordinate priority-setting, action and monitoring by state departments, counties, federal agencies and multi-sector partners to achieve *Aloha+ Challenge* targets. This position is the state lead and point of contact for the *Aloha+ Challenge*.
2. **\$350,000 for the Office of Information Management & Technology** to host and provide technical support for the State of Hawai'i's online dashboards, including the *Aloha+ Challenge* Dashboard for decision-makers and the public to track progress on the six *Aloha+* targets.
3. **\$7.5M annually to DLNR for watershed protection** and management
4. **\$6M annually for the Hawai'i Invasive Species Council** programs
5. **Funding for critical marine resource management positions** in the DLNR Division of Aquatic Resources and Division of Conservation and Resources Enforcement to ensure the health and productivity of our marine resources

HGG leaders agree these five budget items are top priorities, and urges the Legislature to make these critical investments. This will help to build a more diversified economy and a more resilient, secure and sustainable future for everyone in Hawai'i.

Mahalo nui,

Audrey Newman

Senior Advisor, Hawai'i Green Growth (HGG)

Bringing leaders together to achieve sustainability in Hawai'i & be a model for a green economy

<http://www.hawaiigreengrowth.org>

Hawai'i Green Growth

Active Working Group Members *(short list)*

1. 'Aulani Wilhelm, Director of Ocean Initiatives, NOAA Office of National Marine Sanctuaries
2. Audrey Newman*, Senior Advisor, Hawai'i Green Growth (HGG) & Global Island Partnership
3. Aurora Winslade, Transformational Program Manager, Hawai'i Energy
4. Ben Sullivan, Energy Coordinator & Acting Sustainability Coordinator, Kaua'i County
5. Bill Tam, former Deputy Director for Hawai'i Dept of Land & Natural Resources (DLNR)
6. Bitsy Kelley, Vice President of Corporate Communications, Outrigger Enterprises Group
7. Brant Chillingworth, Program Officer, Hau'oli Mau Loa Foundation (HMLF)
8. Carol Feinga, Administrative Director, Kōkua Hawai'i Foundation (KHF)
9. Carol Wilcox, Board Member, Mālama Maunalua (MM)
10. Chipper Wichman, Executive Director, National Tropical Botanical Garden (NTBG)
11. Christy Martin, Public Information Officer, Coordinating Group on Alien Pest Species (CGAPS)
12. Deanna Spooner*, Coordinator, Pacific Islands Climate Change Cooperative (PICCC)
13. Donn Mende, Deputy Director of Research & Development, Hawai'i County
14. Ed Kenney, Owner, Town Restaurant
15. Eric Au, Area Director of Engineering & Sustainability, Starwood Hotels & Resorts Hawai'i
16. Eric Co, Program Officer for Marine Conservation, Harold K.L. Castle Foundation
17. Gary Gill, former Deputy Director, Hawai'i Department of Health (DOH)
18. Jack Kittinger, Director of Hawai'i Fish Trust, Conservation International (CI)
19. Jackie Kozak Thiel*, State Sustainability Coordinator, State of Hawai'i
20. Jason Ito, Director of Administration and Planning, Kyo-ya
21. Jeff Mikulina, Executive Director, Blue Planet Foundation
22. Josh Atwood*, Invasive Species Coordinator, DLNR & HISC
23. June Matsumoto*, World Conservation Congress National Host Committee/Hawai'i 2016 (WCC 2016)
24. Justin Gruenstein, Executive Assistant to the Mayor, City & County of Honolulu
25. Dr. Kamanao'pono Crabbe, Chief Executive Officer, Office of Hawaiian Affairs (OHA)
26. Kealoha Fox, Ka Pou Kāko'o Nui, Executive Manager & Special Assistant to Ka Pouhana (CEO), OHA
27. Ken Kakesako*, Hawai'i Department of Agriculture (DOA)
28. Kevin Vaccarello, Founder & Director, Sustain Hawai'i
29. Kyle Datta, General Partner, UI
30. Laurie Carlson, Regional Governor, Slow Food Hawai'i & Founding Publisher, Honolulu Weekly
31. Leo Asuncion, Director, Office of Planning (OP)
32. Lihla Noori, Executive Director, Hawai'i Conservation Alliance (HCA)
33. Dr. Maria Gallo, Dean & Director, College of Tropical Agriculture and Human Resources (CTAHR)
34. Mark Glick, Administrator, Hawai'i State Energy Office, DBEDT
35. Mark Fox*, External Affairs Director, The Nature Conservancy of Hawai'i (TNCH)
36. Matt Lynch, Interim System-wide Sustainability Coordinator, University of Hawai'i
37. Mawae Morton, Representative, Polynesian Voyaging Society (PVS)
38. Mike Hamnett*, Co-Chair, Hawai'i Energy Policy Forum (HEPF) & Executive Director, RCUH
39. Neil Hannahs, Director of Land Assets Division, Kamehameha Schools (KS)
40. Nicole Chatterson, RISE Project Manager, Kupu Hawai'i
41. Peter Adler, Principal, Accord 3.0 Consultants
42. Piia Aarma*, President, Pineapple Tweed Public Relations & Marketing
43. Pono Shim, Executive Director, Enterprise Honolulu (EH)
44. Rob Parsons, Executive Assistant for Environmental Concerns, Maui County
45. Scott Glenn, Chair, Environmental Council & Board Member, Sierra Club
46. Scott Seu*, Senior Vice President of System Operations, HECO
47. Sharon Moriwaki*, Co-Chair, HEPF & Associate Director, UH Public Policy Center (UHPPC)
48. Sylvia Yuen, Special Assistant to the UH President for Food Security & Safety
49. Ualia Woodside*, Regional Assets Manager, KS
50. William Aila, former Chairperson, DLNR

* HGG Steering Committee members

TESTIMONY IN PROPOSITION OF HB 500, Relating to the State Budget

Date: Wednesday, March 11, 2015 **Time:** 11:00 AM **Place:** Conference Room 308

To: Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair

LATE

Aloha Chair, Vice Chair, and Committee on Finance,

My name is Franalyn Subia Galiza. I was born in Kalihi, housed in Waipahu and raised in Waianae. I am currently a student in the Master's of Education program at the University of Hawaii at Manoa and have also received my undergraduate degree at the University. I am truly honored and blessed to have had these opportunities to be a part of the University of Hawaii ohana.

However, for the amount of years that I have been at the University, one aspect that strikes me the most is the neglect of our facilities. Many years, capitol improvement projects have only been partially appropriated for. The capitol renewal (CR) and deferred maintenance (DM) our University has only received 13.9 million in FY 16 and 27.6 million in FY 17 compared to our ask of 85 million (~44.5 mill for CR and ~41,2 mill for DM) in FY 16 and 100 million (~55.6 mill for CR and ~46.8 million for DM) in FY 17.

On page 85 of HB 500 for reference. No monies for minor CIP, major CIP, and LRDP (long range development plan) was given. UH System cannot reallocate funds from one part of the CIP to another because it is earmarked for the purposes of HSCR, CR & DM, etc. The CR and DM proposed appropriation is not enough.

Some of the results of not appropriating the needed funds for repair and maintenance of our campus is that:

- An increasing amount of our tuition has gone to pay for HeCo rate increases
- Lack of student service support and improving quality instruction due to our tuition covering electricity bills from the backlog of maintenance
- Certain buildings on campus (Henke Hall) have been utilized for housing of stray cats and mongeese
- Lack of classroom space and renovations of buildings to provide better facilities to learn
- Lack of efficient and sustainable buildings because of Old AC units that rack up our bills and leave students freezing
- Our old and run down buildings are affecting the image of our flagship campus (current and prospective students do not want to attend a facility that is not physically upkept)

TESTIMONY IN PROPOSITION OF HB 500, Relating to the State Budget

Date: Wednesday, March 11, 2015 **Time:** 11:00 AM **Place:** Conference Room 308

- And now the federal government has imposed new requirements associated with Title IX and the Violence Against Womens Act. But if we do not have funding for operations and maintenance, we will struggle to improve the safety of our campuses and the safety of our students.

Every day we preach to and struggle with ourselves, our students and our communities to affirm that education is the beverage that we drink to revive and cultivate ourselves, our histories, our cultures and our communities so that it will empower us to change the world. Yet, the state does not provide us with the financial assistance to maintain our campuses. How will current and prospective students be nourished with knowledge to learn, sustain and embrace our histories, our cultures and our communities, and a chance to change the world our campus is not maintained.

Our infrastructure and buildings will continue to deteriorate and so to will the image of our campuses. The internal structures of the building will not be addressed when needed and that could end us costing us more in the long run (on top of the things that I have already listed). I demand that we take into consideration appropriating the NEEDED funds to repair and maintenance of UH Manoa so that

- Our tuition can be used to support the successes of our students
- Buildings will not be utilized for stray cats and mongeese, but for faculty office spaces and classrooms
- we have efficient and sustainable buildings that will not cost hundreds of millions of dollars
- We can support the safety of our campuses and students with the new requirements associated with Title IX and the Violence Against Womens Act.

If we want students to experience UH Manoa life, we need to make it appealing to others or we will turn them away. University of Hawaii at Manoa has constantly quenched my thirst to embody knowledge about myself, our community and the world that we live in and I hope that it can continue to instill this in others too.

Thank you for your time.
Franalyn Galiza

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 11, 2015 11:35 AM
To: FINTestimony
Cc: Charliej@pacificrimland.com
Subject: Submitted testimony for HB500 on Mar 11, 2015 11:00AM

LATE

HB500

Submitted on: 3/11/2015

Testimony for FIN on Mar 11, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Charles Jencks	Pacific Rim Land, Inc.	Support	No

Comments: I am writing in support of HB 500 specifically those sections supporting DLNR and requested by Interim Director Carty Chang. I wish to draw your specific attention to the requests made in support of the issues brought forth in the Governor's message No. 27 requesting funding and positions for the State Historic Preservation Division (\$138,515/\$226,830 B), the change in the means for financing of the Librarian position in SHPD for federal to general funds (\$60,00/\$60,000 A) and finally the addition of 2 permanent positions and an increase in the Historic Preservation Special Fund ceiling (\$217,033/\$270,747 B). I request these funds as the SHPD offices statewide are completely overwhelmed with work and desperately need additional staff and financial resources to complete their duties in a professional and timely manner. Please call if questions.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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The file attached to this email was removed
because the file name is not allowed.

Seagull-Kapoli

LATE

KEEP THE DOORS OPEN FOR OUR KEIKI!

If you feel that Preschool Open Doors funding is important to our keiki, please take a moment to fill out the form below. Mahalo for ensuring a brighter future for Hawai'i's keiki!



First Name	Charie candy Morales	Last Name	Morales
Home Address: 87149 Gilipake St.			
City: Waihanale HI.		Zip Code: 96792	
Phone: 808 779 9629		E-mail: chariecandybm@aol.com	

Preschool Open Doors funding is important to me because..... my son was under special needs because of his speech & since he was eligible for child care at Seagull School, he surely has learned a lot & started speaking better due to the fact that he's been able to play & talk to kids his age. More importantly, he's not only having fun, he's also being taught Alphabets, numbers, shapes, how to behave & be creative, etc. The PATCH program has also helped with me to go to work & not worry that my mother-in-law would have to babysit 2 of my kids because she's at the age where she has hard time walking.

If Preschool Open Doors loses funding, it will negatively impact my family because... I would have a hard time looking for a baby-sitter who I can trust at the fact that they will be protected & taught at the same time while i'm at work. If I can't find a trustworthy baby-sitter, that would mean that I would not be able to work & provide for my kids. My fiancé & I are living from paycheck to paycheck & without this PATCH program we would have to sacrifice a lot just to get by.

Please kokua and submit your testimony one of the following ways:

- Return this form to your teacher or school, OR
- E-mail your testimony to info@goodbeginnings.org

Mahalo for your KOKUA

LATE

KEEP THE DOORS OPEN FOR OUR KEIKI!

If you feel that Preschool Open Doors funding is important to our keiki, please take a moment to fill out the form below. Mahalo for ensuring a brighter future for Hawai'i keiki!



First Name	Briana	Last Name	Decosta
Home Address:	91-201 Puamoa Rd Pl.		
City:	Kapolei	Zip Code:	96707
Phone:	(808) 753-4472	E-mail:	briana.decosta@yahoo.com

Preschool Open Doors funding is important to me because.....

It helped me as a parent to give my son the opportunity to learn and acquire an education at a young age, regardless of our financial hardships. "Open Doors" is very important to families with more than one child, single parents, and families who deal with the high costs of living here in Oahu.



If Preschool Open Doors loses funding, it will negatively impact my family because...

We won't be able to afford to send all of our children to school at once. But at the same time, as children they should not be deprived of an early education just because their parents can't afford it. Also, it defeats the purpose of ODE's "no child left behind Act." These children who are entering Kindergarten and did not attend preschool because "Open Doors" has lost its funding, have already been left behind.

Please submit your testimony one of the following ways:

- Return this form to your teacher or school, OR
- E-mail your testimony to info@goodbeginnings.org

Mahalo for your KOKUA

**KEEP THE
DOORS OPEN
FOR OUR
KEIKI!**



LATE

First Name:	Last Name:
Latoya Bentoso	Bentosino
Home Address: P.O. Box 2696	
City: Owa beach	Zip Code: 96706
Phone: (808) 258-7238	E-mail: latoya.bentosino@yahoo.com

Preschool Open Doors is important to me because... *It*

really benefits my family as well as other families. Having this ~~open~~ financial assistance has really helped me into getting my boys the education they need being that they were born 3 months early little behind being able to send them to school has really

If Preschool Open Doors loses it's funding, it will negatively impact my family because... my boys will be devastated, heartbroken, disappointed they love going to school and being a mother of 5 beautiful children if we

Signed: *Latoya Bentoso* Date: 03-05-15

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* Mahalo for your kokua! *

*Nakoa & Noa Bentosino

made them learn so much, now they are able to keep up with children their age. They are so happy every morning getting up and getting ready for school seeing their smile on their faces. Priceless... I can really see the improvement in them since I had this opportunity to get this assistance and send them to preschool. They know their colors, shapes, all kinds of things they learned.

- lose this assistance, I won't be able to afford the monthly payments to send them to preschool. I work I have income but no way near enough. I am forever grateful and thankful for this opportunity and assistance. I seen a lot of kids grow from this program. I ask please don't close the doors. Leave the doors open, we want to see young kids flourish.

original version

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KEIKI!



LATE

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KEIKI!



First Name:	Last Name:
Kimberly	Letna
Home Address: 91-1092 Kailoala Dr	
City: Ewa Beach	Zip Code: 96706
Phone: 808-364-0759	E-mail: KimberlyLetna@yahoo.com

Preschool Open Doors is important to me because...

Without open doors, children like my niece wouldn't have opportunities to attend preschool. Families would have a hard time w/childcare in order to provide for their families. Also, the programs and learning activities promote wellness.

If Preschool Open Doors loses it's funding, it will negatively impact my family because... We would have never had the ability to offer my niece proper education and supervision. Care activities offered in this setting.

Signed: [Signature] Date: 03-05-15

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* Mahalo for your kokua! *

*Kamila Santos

First Name: Ethel Buono	Last Name: Buono
Home Address: 94-1027 Kahuamoku St. A	
City: Waipahy	Zip Code: 96797
Phone: 203-9267	E-mail:

Preschool Open Doors is important to me because...

It allows my son to attend pre school at an affordable cost. The program also catered to us because my son just missed the age limit for Kindergarten.

If Preschool Open Doors loses it's funding, it will negatively impact my family because...

I won't be able to pay for preschool and my son may have to just stay home.

Signed: Ethel Buono Date: 03-05-15

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* Mahalo for your kokua! *

*Diamond Lagrav

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First Name: <u>SUJI</u>	Last Name: <u>CHO</u>
Home Address: <u>1517 Makiki St. #1104</u>	
City: <u>Honolulu</u>	Zip Code: <u>96822</u>
Phone: <u>428-9007</u>	E-mail: _____

Preschool Open Doors is important to me because...

I can go school and that makes me to get better job. That's help my family to have better life.

If Preschool Open Doors loses it's funding, it will negatively impact my family because...

I can't go back to work and I can't offer better education program to my son.

Signed: Suji Date: 3/6/15

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* Mahalo for your kokua! *

First Name: <u>Jay</u>	Last Name: <u>CHO</u>
Home Address: <u>1517 Makiki St. #1104</u>	
City: <u>Honolulu</u>	Zip Code: <u>96822</u>
Phone: <u>398-6476</u>	E-mail: _____

Preschool Open Doors is important to me because...

my son can play and study together with friends. He learn social activities and relationship with other people.

If Preschool Open Doors loses it's funding, it will negatively impact my family because... my wife can't make money and she had to take care my son all day long. Then I have to ask the state for help.

Signed: [Signature] Date: 3/6/15

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LATE

First Name:	Last Name:
Yoshiro	Nakamura
Home Address:	1635 Dole St. #202
City:	Honolulu
Zip Code:	96822
Phone:	808-392-5572
E-mail:	Yoshiro17@line.jp

Preschool Open Doors is important to me because...
Our Family income is not that good enough to support 2nd child's tuition.
If Preschool Open Doors loses it's funding, it will negatively impact my family because...
Our second child may not be able to enroll to the school.
Signed: <i>Yoshiro Nakamura</i> Date: 3/4/15

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First Name:	Last Name:
Rika	Nakamura
Home Address:	1635 Dole St. #202
City:	Honolulu
Zip Code:	96822
Phone:	808-383-0783
E-mail:	rika0029@hotmail.com

Preschool Open Doors is important to me because...
Our children can have a good opportunity to get English skills, social skills, fine motor skills and so on because of their "BIG SUPPORT" before enrolling kindergarten.
If Preschool Open Doors loses it's funding, it will negatively impact my family because...
We have to think about moving out of Hawaii State to get an educational environment for our 2nd child.
Signed: <i>Rika Nakamura</i> Date: 3/4/15

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LATE

First Name:	Last Name:
ELAINE	KIM
Home Address: 727 LUKEPANE AVE #202	
City: HONOLULU	Zip Code: 96816
Phone: 808-348-7630	E-mail: elainelyskim@gmail.com

Preschool Open Doors is important to me because...

IT GIVES MY CHILDREN THE CHANCE TO LEARN
EARLY AND PREPARE THEM FOR KINDERGARTEN.

*If Preschool Open Doors loses it's funding, it will negatively
impact my family because...*

I WOULD HAVE TO STAY HOME TO WATCH MY
CHILDREN AS I HAVE NO OTHER FAMILY MEMBERS TO
WATCH THEM

Signed: *Elaine Kim* Date: 3/4/15

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First Name:	Last Name:
Home Address:	
City:	Zip Code:
Phone:	E-mail:

Preschool Open Doors is important to me because...

*If Preschool Open Doors loses it's funding, it will negatively
impact my family because...*

Signed: _____ Date: _____

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LATE

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First Name:	Last Name:
Christina	Leval
Home Address: 2755 Kapiolani Blvd. Apt. 10	
City: Honolulu	Zip Code: 96826
Phone: (808) 429-1243	E-mail: xtinamai@icloud.com

Preschool Open Doors is important to me because...

As a single mother, raising a child on my own, the need for child care is great. Having a full time job to support my daughter & I brings with it restrictions on my being able to monitor her on my own. Having a single income isn't enough to support our living expenses as well as full childcare. Open Doors is amazing! If Preschool Open Doors loses its funding, it will negatively impact my family because... Again, as a single mom I will not be able to afford child care. Therefore, will have to stay home, cutting back hours at work, decreasing my income, making it difficult to pay my bills.

Signed: Christina Leval Date: 3/4/15

Please submit your testimony one of the following ways:

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- E-mail your testimony to info@goodbeginnings.org

* Mahalo for your kokua! *

First Name:	Last Name:
Christina	Leval
Home Address: 2755 Kapiolani Blvd. Apt. 10	
City: Honolulu	Zip Code: 96826
Phone: (808) 429-1243	E-mail: xtinamai@icloud.com

Preschool Open Doors is important to me because...

As a single mother, raising a child on my own, the need for child care is great. Having a full time job to support my daughter & I brings with it restrictions on my being able to monitor her on my own. Having a single income isn't enough to support our living expenses as well as full childcare. Open doors is amazing! If Preschool Open Doors loses its funding, it will negatively impact my family because... Again, as a single mom, I will not be able to afford childcare. Therefore, will have to stay home, cutting back hours at work, decreasing my income, making it difficult to pay my bills.

Signed: Christina Leval Date: 3/4/15

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